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REPORTS

FROM

COMMITTEES:

ELEVEN VOLUMES.

—*(9.)*—

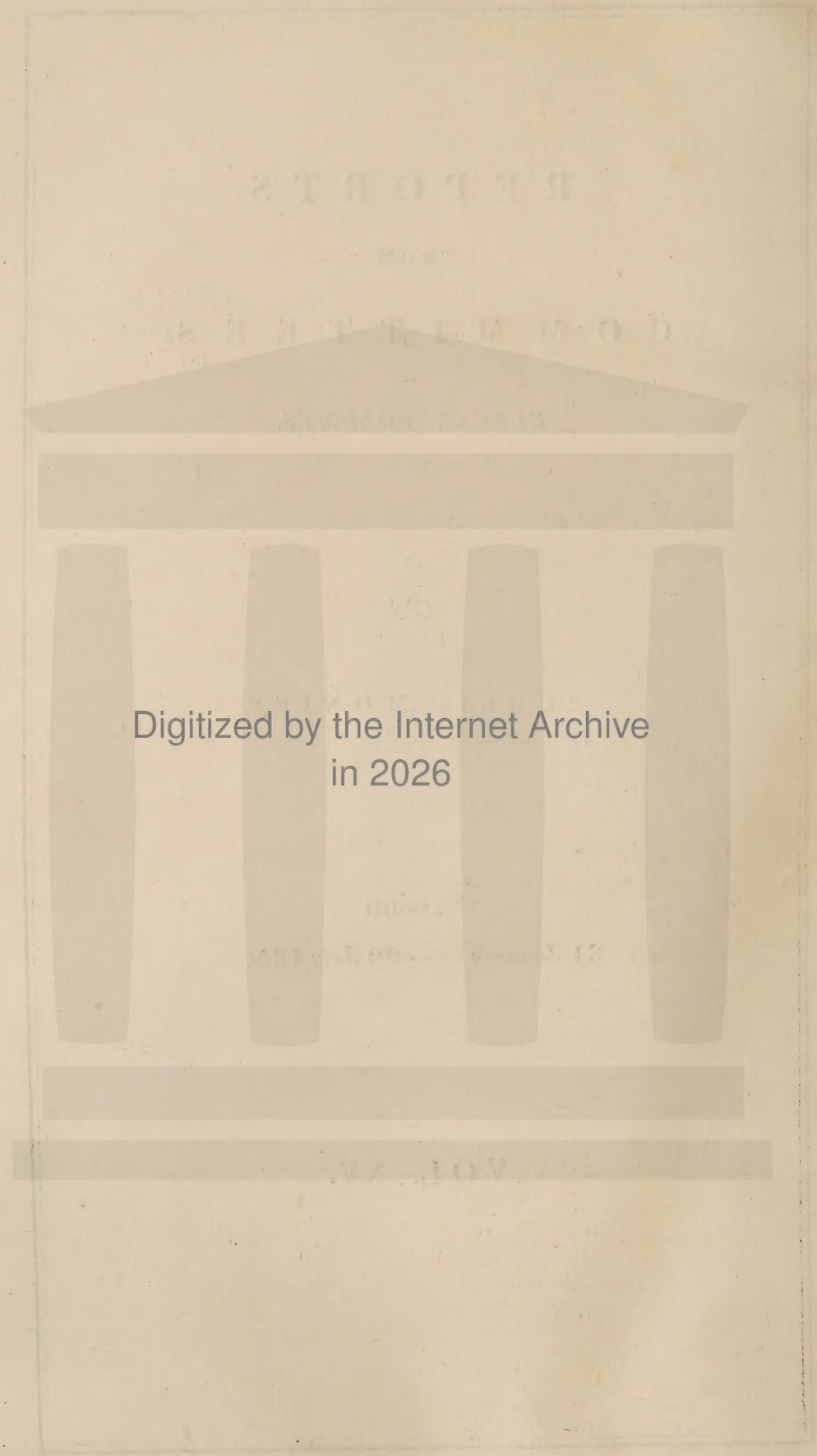
PUBLIC MONIES.

Session

31 *January* —— 29 *July* 1856.

VOL. XV.

1856.



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REPORTS FROM COMMITTEES:

1856.

ELEVEN VOLUMES:—CONTENTS OF THE

NINTH VOLUME.

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REPORT

FROM THE

SELECT COMMITTEE

ON

PUBLIC MONIES;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
21 *July* 1856.

Jovis, 24° *die Aprilis*, 1856.

Ordered, THAT a Select Committee be appointed "to inquire into the Receipt, Issue, and Audit of Public Monies in the Exchequer, the Pay Office, and the Audit Department."

Veneris, 2° *die Maii*, 1856.

Select Committee nominated, of—

Sir Francis Baring.	Sir James Graham.
Mr. Henley.	Sir Henry Willoughby.
Mr. Williams.	Mr. Peacocke.
Mr. Wilson.	Mr. James MacGregor.
Mr. Bowyer.	Lord Stanley.
Mr. Ellice.	Mr. Cardwell.
Mr. Hankey.	Mr. George Alexander Hamilton.
The Chancellor of the Exchequer.	

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Jovis, 3° *die Julii*, 1856.

Ordered, THAT the Committee have power to Adjourn from Place to Place.

Lunæ, 21° *die Julii*, 1856.

Ordered, THAT the Committee have power to Report their Observations, together with the Minutes of Evidence taken before them, to The House.

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REPORT.

THE SELECT COMMITTEE appointed to Inquire into the RECEIPT, ISSUE, and AUDIT of PUBLIC MONIES in the EXCHEQUER, the PAY OFFICE, and the AUDIT DEPARTMENT, and who were empowered to Report their Observations, together with the Minutes of Evidence taken before them:——HAVE considered the Matters to them referred, and have agreed to the following REPORT:—

YOUR COMMITTEE have proceeded in the inquiry confided to them, and have taken much Evidence; but adverting to the importance and extent of the subject, the incomplete state of the inquiry, and the advanced period of the Session, Your Committee consider that they will best discharge their duty by laying the Evidence before The House.

21 *July* 1856.

PROCEEDINGS OF THE COMMITTEE.

Veneris, 9° *die Maii*, 1856.

MEMBERS PRESENT:

Sir Francis T. Baring.	Mr. Cardwell.
Sir H. Willoughby.	Mr. G. A. Hamilton.
Mr. James MacGregor.	Sir James Graham.
Mr. Bowyer.	Mr. Wilson.
Mr. Williams.	Mr. Hankey.

Sir FRANCIS T. BARING called to the Chair.

Lunæ, 26° *die Maii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Mr. Hamilton.	Sir H. Willoughby.
Mr. Wilson.	Mr. Hankey.
The Chancellor of the Exchequer.	Sir James Graham.
Mr. Williams.	Mr. Bowyer.
Mr. MacGregor.	Mr. Peacocke.
Mr. Henley.	Mr. Cardwell.

Lord *Monteagle* (attending by permission of the House of Lords) examined.

[Adjourned till Friday next, at Twelve o'clock.

Veneris, 30° *die Maii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Sir Henry Willoughby.	Mr. Williams.
Mr. MacGregor.	Mr. Henley.
Mr. Hamilton.	Mr. Hankey.
Sir James Graham.	Mr. Bowyer.
Mr. Wilson.	Mr. Peacocke.
The Chancellor of the Exchequer.	Mr. Cardwell.

Lord *Monteagle* further examined.

[Adjourned till Monday, at Twelve o'clock.

Lunæ, 2° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Mr. Wilson.	Mr. Bowyer.
Mr. MacGregor.	Mr. Hankey.
Sir H. Willoughby.	Mr. Cardwell.
Mr. Hamilton.	The Chancellor of the Exchequer.
Mr. Williams.	Sir James Graham.
Mr. Ellice.	Mr. Peacocke.

Lord *Monteagle* further examined.

[Adjourned till Thursday, at Twelve o'clock.

Jovis, 5° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Mr. MacGregor.	Mr. Bowyer.
Mr. Hamilton.	The Chancellor of the Exchequer.
Sir Henry Willoughby.	Mr. Hankey.
Mr. Wilson.	Mr. Cardwell.
Mr. Peacocke.	Mr. Williams.

Lord *Monteagle* further examined.

[Adjourned till Monday next, at Half-past Twelve o'clock.

Lunæ, 9° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Mr. Wilson.	Mr. Peacocke.
Mr. MacGregor.	Sir Henry Willoughby.
Mr. Hamilton.	Sir James Graham.
Mr. Williams.	Mr. Cardwell.
Mr. Henley.	Mr. Hankey.

Mr. *William George Anderson* examined.

[Adjourned till Thursday, at Half-past Twelve o'clock.

Jovis, 13° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Mr. MacGregor.	Sir James Graham.
Mr. Hamilton.	Mr. Bowyer.
Mr. Henley.	Mr. Cardwell.
Mr. Williams.	Sir Henry Willoughby.
The Chancellor of the Exchequer.	Mr. Hankey.
Mr. Wilson.	

Mr. *William George Anderson* further examined.

[Adjourned till Monday, at Half-past Twelve o'clock.

Lunæ, 16° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Mr. Peacocke.
Mr. Hamilton.
Mr. Williams.
The Chancellor of the Exchequer.
Sir James Graham.
Mr. Cardwell.
Sir Henry Willoughby.
Mr. Hankey.
Mr. Wilson.
Mr. MacGregor.
Mr. Henley.
Mr. Bowyer.
Lord Stanley.

Mr. *William George Anderson* further examined.

[Adjourned till Thursday, at Half-past Twelve o'clock.

Jovis, 19° *die Junii*, 1856.

MEMBERS PRESENT:

Sir T. F. BARING in the Chair.

Mr. MacGregor.
Sir H. Willoughby.
Mr. Cardwell.
Mr. Wilson.
Mr. Peacocke.
Mr. Williams.
Mr. Hamilton.
Sir James Graham.
The Chancellor of the Exchequer.
Mr. Hankey.
Mr. Bowyer.

Mr. *James Anderson* further examined.

[Adjourned till Monday next, at Half-past Twelve o'clock.

Lunæ, 23° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Mr. Williams.
Mr. Wilson.
The Chancellor of the Exchequer.
Mr. MacGregor.
Sir James Graham.
Sir Henry Willoughby.
Mr. Bowyer.
Mr. Cardwell.
Mr. Hankey.

Mr. *Ernest Albert Hoffay* examined.

[Adjourned till Thursday, at Half-past Twelve.

Jovis, 26° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Mr. Wilson.
The Chancellor of the Exchequer.
Lord Stanley.
Mr. Williams.
Mr. MacGregor.
Mr. Bowyer.
Sir James Graham.
Mr. Hankey.
Mr. Hamilton.
Sir H. Willoughby.

Lord *Monteagle* further examined.

[Adjourned till Monday next, at Half-past Twelve o'clock.

Lunæ, 30° *die Junii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Mr. MacGregor.	Mr. Williams.
Mr. Hamilton.	Mr. Cardwell.
Sir H. Willoughby.	Sir J. Graham.
The Chancellor of the Exchequer.	Mr. Hankey.
Mr. Wilson.	Mr. Bowyer.

Lord *Monteagle* further examined.

[Adjourned till Thursday next, at Half-past Twelve o'clock.

Jovis, 3° *die Julii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Lord Stanley.	Mr. Williams.
Mr. Peacocke.	Mr. Wilson.
Mr. Hamilton.	Mr. Bowyer.
Sir H. Willoughby.	Mr. Hankey.
The Chancellor of the Exchequer.	

Lord *Monteagle* further examined.

Mr. *Charles Vine* examined.

[Adjourned till Monday next, at Half-past Twelve o'clock.

Lunæ, 7° *die Julii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Mr. Williams.	Mr. Bowyer.
Sir H. Willoughby.	Mr. Cardwell.
Mr. James MacGregor.	Mr. Henley.
Mr. Wilson.	Mr. Hankey.
The Chancellor of the Exchequer.	Sir James Graham.

Mr. *William George Anderson* further examined.

[Adjourned till Thursday next, at Half-past Twelve o'clock.

Jovis, 10° *die Julii*, 1856.

MEMBERS PRESENT:

Sir F. T. Baring in the Chair.

Mr. Hamilton.	Mr. Peacocke.
Mr. Williams.	Mr. Henley.
Mr. Wilson.	Mr. Cardwell.
Mr. James MacGregor.	Sir James Graham.
The Chancellor of the Exchequer.	Mr. Hankey.
Sir H. Willoughby.	Mr. Bowyer.

Mr. *Charles Vine* and Mr. *William George Anderson* further examined.

[Adjourned till Monday, at Half-past Twelve o'clock.

Lunæ, 14° *die Julii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Mr. Hamilton.	Sir H. Willoughby.
Mr. Henley.	Mr. Williams.
Mr. James MacGregor.	Mr. Cardwell.
Mr. Wilson.	Mr. Hankey.
Sir James Graham.	The Chancellor of the Exchequer.

Mr. *Edward Romilly*, Mr. *Charles Macaulay*, and Mr. *Henry Thomas Dundas Bathurst*, examined.

[Adjourned till Thursday, at Half-past Twelve.

Jovis, 17° *die Julii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Mr. Henley.	Sir James Graham.
Mr. James MacGregor.	Mr. Hamilton.
Sir Henry Willoughby.	Mr. Williams.
Mr. Wilson.	

Mr. *John Hollings* examined.

[Adjourned till Monday, at Three o'clock.

Lunæ, 21° *die Julii*, 1856.

MEMBERS PRESENT:

Sir F. T. BARING in the Chair.

Sir James Graham.	Mr. James MacGregor.
The Chancellor of the Exchequer.	Mr. Williams.
Mr. Henley.	Mr. Cardwell.
Mr. Wilson.	Sir H. Willoughby
Mr. Bowyer.	Mr. Hankey.

Report read and agreed to.

Ordered to Report, together with Minutes of Evidence.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Lunæ, 26° *die Maii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.
Mr. Chancellor of the Exchequer.
Sir James Graham.
Sir Henry Willoughby.
Mr. Bowyer.
Mr. Hankey.
Mr. Henley.
Mr. Williams.
Mr. Wilson.
Mr. Peacocke.
Mr. James MacGregor.
Mr. Cardwell.
Mr. G. A. Hamilton.

THE RIGHT HON. SIR F. T. BARING, BART., IN THE CHAIR.

The Right Honourable the Lord *Monteagle* of *Brandon*; Examined.

The Right Hon. the Lord *Monteagle* of *Brandon*.

26 May 1856.

1. *Chairman.*] WHAT Office do you hold?—I am Comptroller of the Exchequer.

2. When were you appointed to that office?—At the close of the year 1839.

3. Under what Bill were you appointed?—Under the Bill of 1834.

4. That Bill was the first Bill that created and regulated the office of Comptroller of the Exchequer, was not it?—That is the Bill which is at present the governing Bill; there were previous Acts which existed bearing upon the transactions of the Exchequer; there was also the general usage of the office, it being a common law office, and existing antecedent to any statutable regulations; but the Act of 1834 may be considered as the governing statute which now regulates the Exchequer.

5. The Act of 1834 got rid of the old Exchequer, and replaced it by the Comptroller of the Exchequer, and the regulations of that Act govern the practice of the Exchequer?—They are the regulations as prescribed by the statute, but the Committee in viewing the statute itself, will see that it continues the former usages, distinctly recognising them as such, and in describing the duties of the office which I have the honour of holding, it transfers to me the duties which theretofore had been performed by the Auditor of the Receipt and the Clerk of the Pells, which were the two officers in whom were vested specially the duty of control in the old Exchequer. Those duties are by the Act of 1834 continued and transferred to me. See § iv, by which "all the powers and authorities now vested in the Auditors of the Exchequer or Clerk of the Pells, either by law or usage, shall, from and after the commencement of this Act, be transferred to and vested in the said Comptroller, subject to the provisions of this Act, except only so far as any of such powers or authorities are or shall be by this Act controlled, diminished, or varied."

6. What are the functions and duties of the Comptroller-general under the Bill?—The main object of the Bill (founded as it was upon the Report of a Commission on the Exchequer of the year 1831, of which I believe the Chairman and other Members of this Committee were Members) seems to me to be the control over the issues and expenditure; above all over the latter, with a view to the enforcement of the responsibility of the Executive Government to Parliament in adhering strictly to the appropriation of public money voted for the purposes for which grants were made by Parliament. In answering the question put to me, I may state that the functions prescribed by the Act seem to

The Right Hon. the Lord *Monteagle* of *Brandon*.

26 May 1856.

me correctly set forth in the Report of the Commission on the Exchequer: "The Exchequer is the great conservator of the revenues of the nation. It does not exercise any authority over the administrative departments of receipt, nor over the departments of payment any further than to guard against the illegal application of any portion of the public income. The constitutional functions of its officers, who hold their situations for life, are to provide for the safe keeping and proper appropriation of the public money. For this purpose it is charged with the receipt of the revenues, which are vested in its name, and deposited in its care, until issued under the authority of Parliament for the service of the State, and it is armed with a power of denying its sanction to any demands upon it, from whatever Minister or department they may be made, unless those demands are found in accordance with the determinations of the Legislature. 'To examine in detail,' says Mr. Ellis, the clerk of the pells, 'the ancient authorities upon which the constitution of the Exchequer of Receipt and Issue in its regulations and practice rests, would answer no useful purpose. It is sufficient to observe that it is coeval with the Norman Conquest; that it has been from its earliest institution looked to as a check upon the Lord High Treasurer and a protection for the King, as well as for the subject, in the custody, payment and issue of the public money. The business of the Exchequer, in its simplest form, is the receipt of the public money, and the issue of the same under orders from the proper authority; the second branch, that of issue, further involves the most important duty of control, while both require in a matter of such national and historical importance, the duty of record.'" It was founded upon that Report that the Bill was introduced. The question referring to the mode in which the Bill carries out those functions I may allude to the §§ x, xi, xii, and xiii, as conclusive.

7. The question was what you considered were the duties of the Comptroller-general?—The main duties are those duties of control laid down in the recited sections; to prevent, under any possible circumstances, the diversion of monies from the uses to which they are appropriated by law.

8. The passage to which you have referred divides the duties into those of receipt and issue of the revenue?—Yes.

9. Confining yourself to the duties of the receipt of the revenue, will you have the goodness to state what revenues you receive at the Exchequer?—The duties of Customs, of Inland Revenue, which comprehend the branches of Excise, Stamps, and Taxes, and now the property tax in addition; the Post-office revenue;—the hereditary revenues, the land revenues, distinguishing the lesser branches;—the Queen's revenue under the first designation, and, further, a vast number of payments coming under the head of repayments of advances of imprest monies, and small payments of different descriptions which, under different authorities, are paid in, being, or including a variety of payments paid chiefly through the Paymaster-general.

10. The Customs and the revenue departments are paid not through the Paymaster-general, I believe, but direct?—They are paid direct. The great branches of revenue, as well as some other heads of revenue, are paid direct by their receivers-general.

11. Is the Woods and Forests paid direct, or how is it received?—The Department of Woods and Forests is now divided under two heads, the Office of Works and the Office of Woods and Forests. The mode of paying in, differs in those two departments. The Office of Woods pay in direct; the Office of Works pay through the Paymaster-general by an arrangement made of late years. When it was at first proposed to pay it direct through the Paymaster-general, looking, as Comptroller-general of the Exchequer, at many of the Acts, I considered that the money was directed to be paid by the Office of Works itself; I therefore refused to receive that money when tendered me by another hand. After some consideration and discussion (I think there was some correspondence with the Treasury (26, 29, 31 August 1853), which can be referred to), I acquiesced in the wishes of the Treasury to receive it through the Paymaster, provided he recorded upon the face of the instruments, that in making that payment, he acted as agent and on behalf of the Board of Works, giving, at the same time, evidence of this fact. I therefore continued my obedience to the obligations of the Act of Parliament, although the Paymaster became the person acting on the behalf of the Office of Works.

12. Will you have the goodness to state to the Committee how the payments are

are made on the part of those Revenue Boards which pay direct into the Exchequer?—There has been a difference of practice within a short period upon this subject, and it may perhaps be useful, especially in reference to the Exchequer Act, to state what the previous mode of paying the revenue was, and what the present mode of paying it is, and to refer the Committee to the statutable authority, which justifies the alteration that has been made.

13. How was it paid in when the Bill of 1834 first came into operation?—When the Bill of 1834 came into operation a provision was made by law for the payment of the revenue; it prescribed that all money should be paid into the revenue through what was termed a specification paper. To make it clear, I will assume that we are dealing only with the Excise department; the Receiver-general of the Excise was required to bring to the Comptroller-general of the Exchequer a paper, called a specification paper, stating the amount which, on a given day, he was prepared or directed to pay; upon receiving that paper, and on the same day, for despatch was essential, the Comptroller-general signed that paper, authorising, by his signature, the receipt of that money by the Bank; so signed, the officer of the Excise took that paper back to the Bank, and the money was paid thereon; without the authority of the Exchequer it was not receivable; the Bank then signed a receipt at the bottom of the specification paper for the amount of the money so paid; this paper was executed in duplicate; one copy of it was sent back to the Comptroller-general, who thereby assured that the proper sum directed to be paid had been paid, that it had been carried to the account of the Exchequer, and that for it he held the Bank receipt, signed an acquittance to the party, which was handed over on the following day (a duplicate of it being kept), and this acquittance, which was in itself a full and entire discharge, charged the Comptroller-general with the amount thus received. I hold in my hand the form of the acquittance, which I produce, and which will show the Committee how the matter was worked; such was the former mode.

14. What is the present mode of receiving the money?—The present mode, so far as it relates to the receipt of the revenue, is a simplification of the former practice, diminishing trouble; I think not diminishing security, and altogether, so far as it relates to the great Revenue departments, it is a decided improvement. The specification paper is entirely dispensed with, and consequently the Receivers-general of the Excise, acting, I presume, under the orders of their Board, and in concert with the authorities of the Treasury, pay over to the Exchequer account a certain amount; the amount they are directed to pay; the Bank receives without any direct authority from the Exchequer. In the evening of that day, the Bank return to the Exchequer a certificate on account that they have received so much. There is no acquittance given thereon, such as existed under the former system, and in this respect I think the present system, though in other respects an improvement, is somewhat defective. There is no personal acquittance given by the Comptroller-general to the party who has made the payment, but in lieu of that, at the end of the month there is a general certificate furnished from the Exchequer to the Audit Office, informing the auditors of various sums which during the course of that month had been paid to the Exchequer account, and giving the auditors authority consequently to credit the accountants to that amount. The absence of the Exchequer acquittance to the accountant is more a matter for the consideration of the accountant himself than for the public; but I observe in one of the papers that are laid before Parliament, it is assumed that the object of that acquittance was to protect the public from giving a double credit for the same payment. I consider the object of the acquittance to have been clearly the satisfaction of the accountant, that on the very day, the moment that he paid over a given sum, such as 100,000*l.*, to the public, he should have in his pocket a full, entire, and sufficient discharge for the money that he had paid. It also raised the charge against the Comptroller-general under his own hand. I conceive such to have been the important objects, and I think that the Exchequer acquittance might be restored without any possible inconvenience, and with some advantage to the public, and a clear benefit to the accountant.

15. Since the year 1834, there has been a change as to the amount of the revenue paid into the Exchequer. At the present time the gross revenue is paid into the Exchequer, before 1834 only the net revenue was paid in. Has there been any change in practice in consequence, and will you state

The Right Hon. the Lord *Monteagle* of *Brandon*.

26 May 1856.

what the change has been?—I assume that the question refers, not to the Act of 1834, but to Mr. Gladstone's Act, passed in 1854, and which had in view the payment into the Exchequer of the gross revenue, providing for the payment of the public service by votes in Parliament and issues out of the Exchequer. That Act of Parliament will speak for itself if it is referred to. That Act, I presume, is founded upon the principle laid down in the Report of the Exchequer Commission of 1831, which states that all public monies should in the first instance be paid into the Exchequer, and that the gross receipts of public money, whether arising from taxes or any other source, should be placed without deduction in the custody of the Exchequer, and be accounted for to Parliament, whose authority should be necessary for the appropriation of the whole. That principle is acted upon to a certain extent in the Act to which I have referred, but it is not carried into full effect according to the terms of the Exchequer Commission Report; neither do I think that under any circumstances it would have been practicable to have carried it into effect in the manner originally recommended.

16. At the present moment the mode of payment is the same, but a larger amount is paid in; is that so?—The present system is as follows: Applying my observations still to the Excise department, which will make it clearer, the same thing *mutatis mutandis* applying to other departments; the theory contained in that report would be that the whole Excise revenue should be paid in to the Comptroller-general's account, and that the whole of the expenses of the Excise should be paid out of the Comptroller-general's account after a Parliamentary vote, and under Royal and Treasury Warrants, and that so, the service was to be answered. Now that is not quite the case; I believe that the payments for the revenue charges continue to be made very much as they were before; and indeed at the time of the introduction of the Bill the Minister who was responsible for the introduction of that Bill did not hold out to Parliament any expectation that the whole gross revenue could be paid in to the Exchequer by the Receiver-general of the department. I can speak absolutely with respect to my own office, but as I am asked now a question which relates somewhat to the practice of other offices, I can only put it subject to the correction of those who know better. The Excise revenue is received by its own department; its payments for the expense of collection are paid, as they were before, out of the gross revenue as it is received; but under the new system a vote is taken for the expense of the collection, and therefore the payment out of the gross revenue is in the nature of an advance, and not, as before, of a final payment; when that payment has taken place, there is an issue made from the Exchequer to the Excise department, which is more an issue of account than an issue in reality. The Exchequer are called upon to place at the disposal of the Excise money nominally to pay their salaries; but those salaries have been already paid out of gross revenue, and the money so advanced one day for the supposed payment of the expenses of collection is brought back to the Exchequer in a day or two as revenue from that department, when it is in truth merely the return of what was issued 24 hours before. When I say "money advanced," it will be understood that this is done by transfer, and not by issues of cash. It would be absurd if there were remittances made from Aberdeen or Bristol or Liverpool to London, and then remittances made from London to Bristol or Liverpool or Aberdeen to pay the expenses. But I hold in my hand a document, for the accuracy of which I can vouch, showing the expenditure for the revenue departments, the amount of each vote, the date and amount of each issue from the Exchequer, and the dates of payment, or rather of repayment, of certain corresponding amounts into the Exchequer account under the same heads of revenue. Now I find, illustrating this statement by the case of the year to March 1855, the amount of vote for the Customs was 840,743*l.*; the issue from the Exchequer for December was 406,649*l.*; when so issued nominally for payment of the expense of collection, the sum was returned; the sum issued for the payment of salaries, &c. on December 4th, was returned as revenue on December 6th, two days after the issue. It is impossible that this issue could have been applied during this interval for the purpose of making the payments in question. Those payments had been previously made; the issue was to repay the department the amount which it had already paid out of gross revenue. For the coast guard, I perceive at the same time, an issue was made on the

4th

4th of December of 214,000 *l.*; this was repaid on the 6th of December. It was physically impossible that the same issue could have been employed to have made those payments. In the Inland Revenue the first issue was made on November 23d for 313,390 *l.*; the repayment was on the 24th of November, the day following. The Post Office advance of the 11th March 1856 was repaid on the 12th, precisely and accurately the same sum.

The Right Hon. the Lord *Monteagle* of *Brandon*.

26 May 1856.

[*The Paper was delivered in, and is as follows:*]

VOTES for Revenue Departments, showing the Amount of each Vote, the Date and Amount of each Issue from the Exchequer, and the Date when drawn by the Accountants from the Exchequer Account; showing also the Payment of certain consequent Amounts into the Exchequer Account under the same Heads of Revenue.

	Amount of Vote.	When Issued from Exchequer.	Amount.	When Drawn from the Exchequer Account.	Payments into the Exchequer Account immediately succeeding the Issues.	
					Date.	Amount.
Year to 31 March 1855:	£.		£. s. d.			£. s. d.
Customs - - -	840,785	1854: Dec. - 4	406,649 8 2	1854: Dec. 6		
		1855: Mar. - 6	202,048 9 10	1855: Mar. 8		
		„ June 11	196,579 18 5	„ June 12		
			805,277 16 5		1854: Dec. 7	749,529 14 6
		Balance unissued	35,507 3 7		1855: Mar. 8	432,946 14 5
		£.	840,785 – –		„ June 13	362,000 – –
Coast Guard - -	479,320	1854: Dec. - 4	214,301 9 –	1854: Dec. 6		*Note.* The Customs repayments include the Coast-Guard.
		1855: Mar. - 6	110,245 13 3	1855: Mar. 8		
		„ June 11	106,263 9 5	„ June 12		
			430,810 11 8			
		Balance unissued	48,509 8 4			
		£.	479,320 – –			
Inland Revenue -	1,154,594	1854: Nov. 23	313,390 17 6	1854: Nov. 24	1854: Nov. 25	220,420 6 4
					„ Nov. 28	226,840 8 7
		„ Dec. 28	218,903 11 11	„ Dec. 29	„ Dec. 30	208,245 12 –
					1855: Jan. 2	288,356 12 4
		1855: Feb. 19	49,722 – 5	1855: Feb. 20	„ Feb. 20	217,330 15 7
		„ Mar. 15	272,541 3 8	„ Mar. 15	„ Mar. 17	489,811 6 1
		„ June 11	294,042 19 9	„ June 12	„ June 14	436,000 – –
			1,148,600 13 3			
		Balance unissued	5,993 6 9			
		£.	1,154,594 – –			
Revenue Police, Ireland	52,769	1854: Nov. 23	11,895 10 9	1854: Nov. 24	No means of checking the repayments separately.	
		„ Dec. 28	12,245 15 6	„ Dec. 29		
		1855: Feb. 19	3,230 17 4	1855: Feb. 20		
		„ Mar. 15	14,458 – –	„ Mar. 15		
		„ June 11	10,938 16 5	„ June 12		
		£.	52,769 – –			
Post Office - -	1,525,335	1854: Nov. 30	311,906 6 10	1854: Dec. 1	1854: Dec. 2	320,000 – –
		„ Dec. 27	258,476 6 5	„ Dec. 29	„ Dec. 30	376,000 – –
		„ Dec. 27	116,383 9 5			
		1855: Feb. 19	357,077 8 7	1855: Feb. 20	1855: Feb. 22	367,000 – –
		„ June 11	435,732 15 9	„ June 12	„ June 12	445,000 – –
			1,479,576 7 –			
		Balance unissued	45,758 13 –			
Total - - £.	4,052,803	£.	1,525,335 – –			

	Amount of Vote.	When Issued from Exchequer.	Amount.	When drawn from the Exchequer Account.	Payments into the Exchequer Account immediately succeeding the Issues.	
					Date.	Amount.
Year to 31 March 1856:	£.		£. s. d.			
Customs - - -	835,182	1855: Sept. 24	196,031 19 4	1855: Sept. 24		
		„ Dec. 11	206,284 5 9	„ Dec. 11		
		1856: Mar. 11	202,169 6 10	1856: Mar. 11		
			604,485 11 11			
		Balance unissued	230,696 8 1		1855: Sept. 25	362,000 – –
					„ Dec. 12	340,000 – –
		£.	835,182 – –		1856: Mar. 12	325,000 – –
Coast Guard - -	483,238	1855: Sept. 24	108,780 6 5	1855: Sept. 24		
		„ Dec. 11	116,355 3 5	„ Dec. 11		
		1856: Mar. 11	112,793 14 11	1856: Mar. 11		
			337,929 4 9			
		Balance unissued	145,308 15 3			
		£.	483,238 – –			
Inland Revenue -	1,365,950	1855: Sept. 24	321,458 10 6	1855: Sept. 24	1855: Sept. 26	377,000 – –
		„ Dec. 11	301,753 14 3	„ Dec. 12	„ Dec. 13	330,000 – –
		1856: Mar. 11	280,602 2 1	1856: Mar. 11	1856: Mar. 13	350,000 – –
			903,814 6 10			
		Balance unissued	462,135 13 2			
		£.	1,365,950 – –			
Revenue Police, Ireland	62,720	1855: Sept. 24	16,162 10 –	1855: Sept. 24	No means of checking the repayments separately.	
		„ Dec. 11	14,237 11 2	„ Dec. 12		
		1856: Mar. 11	14,594 16 10	1856: Mar. 11		
			44,994 18 –			
		Balance unissued	17,725 2 –			
		£.	62,720 – –			
Post Office - -	1,638,861	1855: Sept. 24	383,242 15 –	1855; Sept. 25	1855: Sept. 25	330,000 – –
		„ Dec. 11	353,727 12 3	„ Dec. 12	„ Dec. 13	365,000 – –
		1856: Mar. 11	432,752 17 10	1856: Mar. 12	1856: Mar. 13	432,752 17 10
			1,169,723 5 1			
		Balance unissued	469,137 14 11			
Total - - £.	4,385,951	£.	1,638,861 – –			

17. In these cases, whether the sum has been paid in advance or not, the gross sum appears in the Exchequer accounts?—The gross sum appears in the Exchequer accounts, and ultimately the process, though the complicated one, which I have described, comes very near the result of paying the whole amount into the Exchequer, and paying out by vote. The only difference is, that the advance is made out of the gross revenue to pay the expenses, and that advance is repaid by the sum voted, and subsequently repaid to the Exchequer; therefore, after the last operation, it settles the account, but with three operations in place of one.

18. And it brings the expenditure under the vote of Parliament?—That portion of the Parliamentary control considered to be the most important one, is answered, for no farthing ought to be payable for the expenses of collection of the revenue except that which has been so voted.

19. Payments are made into the Inland Revenue Office; before the money comes

comes into the Exchequer, has the Exchequer any knowledge of what is the sum actually received by the department?—No, I have no official knowledge whatever of it; I only take cognizance of that which is paid into my account. It does not come under the 4 & 5 Will. 4, c. 15, the Exchequer Act. If there is a statutable payment, or one by a Treasury regulation which ought to come in to me at a given time, and which does not come in, I have then the knowledge that something is withheld, and I can act upon that knowledge. But in respect to the payments out of gross revenue, I know nothing of them, so far as the Exchequer is concerned.

20. When we talk of payments to the Exchequer, of course no actual money is paid into the Exchequer, it always goes to the Exchequer account at the Bank?—I am very happy to be able to say that neither money goes in as money, nor is money paid out as money; the whole is done by account, by orders upon the Bank, for credits in England and transfers in Ireland made to department of payment; there is no such thing as the payment or receipt, or the issue of a single farthing in money from the Exchequer.

21. Returning to the former question, is there any check whatever at the Exchequer, or any knowledge of what payments may be made out of the gross revenue before the payments are made into the Exchequer?—None whatever.

22. Take the case of the purchase of an annuity out of the Excise revenue, was any sum issued from the Exchequer on that account?—No, for the best reason, that no money legally applicable to such use had come into the Exchequer; and if there had been a payment out of the Exchequer without there having been a previous payment made in, there would have been no possibility of making a balance; but it never was paid in, never was paid out, and therefore I knew nothing about it till I found it reported in the balance sheet laid before Parliament as an issue.

23. The Committee is speaking of the redemption of an hereditary pension, which appears in the account of the balances of the public money at the end of the year?—That transaction appears upon the face of an account, "No. 2, Balances of the Public Money;" it is what is called the balance sheet. This account commences with an account of the balances in the Exchequer on March 1855. It states the amount raised within the year, Funded Debt, Exchequer Bonds, Exchequer Bills, Exchequer Consolidated Fund Bills, making the sum of 49,000,000*l.* On the other side it gives an account of the issues, and it concludes with an Exchequer balance on March 1856 of 5,600,621 *l.* Now, amongst the issues appears 'Redemption of Hereditary Pensions, 213,000 *l.*" When I read that account, I interpreted it to mean as it began with a balance in the Exchequer, and closed with a balance remaining in the Exchequer, that such issue must have been an issue which came out of the balance in the Exchequer. I had not recollected any such transaction, and I therefore inquired into the fact, and found that no such issue had taken place from the Exchequer; therefore this account is to be understood in the sense of not relating to the Exchequer. Of that payment I had no knowledge or cognisance whatever, until I saw it in that printed account.

24. Is there a power still existing with the Treasury to pay sums out of the gross revenue before the amount of the revenue is paid into the Exchequer?—That power still exists, though limited by the Act of 1854. If you mean by that how I should have acted upon a demand from the Treasury, or Royal order, or a Treasury warrant desiring me to make an issue to pay that 213,000 *l.*, I should have declined making any such payment, not considering it to have come within the powers of the Exchequer Act.

25. If the Treasury or the Inland Revenue Department had made any payment whatever out of the gross revenue, deducting it from the gross revenue and paying in to make a surplus, would there have been any power in the Exchequer either of knowing that such a payment was made or of stopping such a payment?—None whatever; no Royal order could have been issued upon that subject; every Royal order rests upon a vote of Parliament, and there was no vote of Parliament to justify this payment.

26. That payment appears in this balance sheet not in a way in which you would think correct; but would it have come before Parliament in any shape till the publication of the finance accounts?—No, I do not know that it would, unless the fact had been made public and the account had been specifically moved for in Parliament, or the fact had been communicated by a declaration

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of the Minister; but when the question is put to me with regard to my not considering the account as correct, the Committee will allow me perhaps once for all to state, that when I say I object to any practice, and speak of inconveniences arising from it, I hope I may be understood as casting no kind of reflection of a personal nature upon any of the parties who may be engaged in those matters. When I say that a payment may be incorrect, I simply express an individual judgment; it is the opinion that I may entertain; but it means no reflection upon any of the parties concerned.

27. Sir *H. Willoughby.*] The receivers-general of the different departments, pay the public monies into the Bank of England?—Yes, as far as England is concerned. The mode of payment in Ireland differs somewhat, but only by the necessary variation in the analogy of the two countries; in essence it is the same.

28. Can you state whether any sums of money remain in the hands of those receivers-general, for any length of time, and for what length of time?—I speak now rather in reference to my older experience as connected with the Treasury and the office of Chancellor of the Exchequer. As Comptroller-general, I have already stated that I know nothing of these transactions, till the money comes to my own account. But my recollection (which will be corrected by members of the Committee present) is that the amount of money left in the hands of the receivers is regulated by the Treasury, and by Treasury orders given to the Revenue departments, and that those orders are so carried into effect, as to prevent the accumulation of an inconvenient balance lying idle in the hands of the receivers-general. All the changes of late years have tended to diminish such balances, and to bring up the payments to London with rapidity.

29. Do you know whether such balances, whatever they may be, are deposited in the Bank of England?—The receiver-general's balances in London, for the Excise revenue, are deposited in the Bank of England, and his payments to me as Comptroller-general are made by transfers from his own account as Receiver-general to my account as Comptroller-general, but the amount which is left in his hands is a matter for the Treasury to regulate, and is not brought within my cognizance by law.

30. Mr. *Henley.*] I think I understood you to say, that you knew nothing of the amount of revenue received by the various public departments, other than what was paid into your account at the Bank of England?—Nothing more than that; we are talking of the amount of Exchequer revenue. There are sums which may be paid over, of which I have cognizance, before they come to me; of course I may know some of the regulations under which they are paid, and the statutes under which they are payable. If they are not paid to me, but to others, they may be paid in at the time before I receive the revenue; I know by law what time they ought to be paid in, and therefore what time it may be presumed that they are paid in, but that is inference, not official knowledge.

31. Whether the gross revenue of the Customs received is 21,000,000 *l.*, or 21,500,000 *l.*, you know nothing; all that you know is whether 21,000,000 *l.*, or 21,500,000 *l.* may have been paid into the Exchequer?—Precisely, such is the present law. I have only cognizance of that point upon which my duty attaches, and that applies by law to Exchequer payments only, over the issue of which I exercise control.

32. Mr. *Williams.*] Your Lordship has stated that it is not practicable to carry out the recommendation of the Commission of 1831, to pay the whole amount of the taxes into the Exchequer, and you illustrated that by stating that amounts were paid for salaries and various other objects in a country town, and that the amounts were paid out of the revenue received in that district and not remitted to the Treasury as money, but afterwards remitted in the shape of receipts and payments?—Not quite that. If the gross revenue were paid into the Bank of England, remittances would be required to the country, to pay the expenses where they had accrued.

33. You mentioned in one case a sum of 300,000 *l.* having been paid in that way without coming through the Exchequer; I presume that the revenue in such places is received in small amounts every day, more or less, as compared with such a sum as 300,000 *l.*; then must not a considerable sum remain in the hands of the collector of that district for a considerable time to meet such payments as those?—The case which the honourable Member has put, combines two parts of my evidence, which he will see ought to be distinguished. The

payment

payment of 300,000*l*., hypothetically supposed as made out of Excise revenue was assumed to be payable out of London revenue, out of the receiver-general's fund here. The difficulty could not arise with respect to a case which would be an impossibility, namely, that of paying out of local revenue so very large a sum as that stated. The observation which I took the liberty of making, was to show the difficulty, inconvenience, and expense which would arise out of remitting the whole of the revenue to London, and then remitting back from London to the outports the amount that might be required to satisfy the revenue charges in distant places. I was examined on this subject before the Committee upon Miscellaneous Services, which sat, I think, in the year 1848, and I gave very full evidence upon that subject, which was practically speaking repeated by the late Chancellor of the Exchequer (Mr. Gladstone), in his speech upon the introduction of the Bill referred to, in which I understood him to state, that while he wished to approach as nearly as might be to the payment of the whole revenue into the Exchequer, he could not without great inconvenience remit the whole money to London, so as to make the transfer to the Exchequer when he was subject to the liabilities of paying it in the country. No doubt the honourable Member is quite right in saying, that for the purpose of making those local payments, there must be for a time somewhat larger balances kept in the hands of the local receivers. That is quite true, and the Government, I presume, and I have no doubt, balanced one inconvenience against the other inconvenience; and in reference to that consideration, I think the decision of the Government was right, and was strictly in accordance with the evidence which many years ago I had the honour of giving; in 1848. These payments, though voted, are paid locally by advances out of gross revenue. This practice continues.

34. Your Lordship is no doubt aware of the recommendation of the Commission of 1831, and there was, I think, in 1841 or 1842, another Commission appointed consisting of men of high practical knowledge of these matters, who reported on that particular point, and they stated most distinctly that they saw not the slightest difficulty, but, on the contrary, they considered that it was imperatively necessary to carry out a correct system of keeping the public accounts; that the whole of the money should be remitted to the Exchequer; and that the payment should be made in the country districts, precisely in the same manner as all mercantile transactions are carried on?—I am not familiar with the second Report to which reference is made.

35. It was with reference to the Ordnance Department more particularly, but they investigated the system generally. There was Mr. Harris and Mr. Anderson and Mr. Thomas, and one or two others upon that Committee, who are considered highly practical men?—It is far from me to undervalue the authority of the gentlemen whose names have just been given; but I still think, as I thought then, that Mr. Gladstone has made the nearest approach that he could make to the payment of the whole revenue into the Exchequer. At the same time I repeat now what I stated in the year 1848, that the object recommended in the Exchequer Report to be sought for is the payment in the whole, and paying out what is wanting by Parliamentary vote, so far as the same is practicable and consistent with the public interest. But I believe that the inconvenience to which I have alluded is such as to make it nearly impossible.

36. Sir *J. Graham.*] The words of the Report of the Commission of 1831, laying down the general principle, are these: "We think that no portion of the public treasure should be arrested, on any plea or pretence whatever, on its way to the Exchequer, and that no portion of it should be issued from the Exchequer without previous Parliamentary sanction." To that principle you give your adherence?—I adhere in the strongest way possible to the abstract principle. But in the same Report that the Right honourable Baronet holds in his hand, he will observe that that Commission, of which he was a member, considered that there must be exceptional cases, and held out those exceptional cases as matters that must be provided for.

37. Your Lordship was examined before the Committee upon Miscellaneous Estimates in 1848, and gave the detailed evidence to which you have alluded, with respect to the exceptional cases such as they presented themselves to your mind, and to those exceptions, and to that evidence you still adhere?—I still adhere to them; I may take the liberty of stating that when I first read that Report of 1831, I saw the difficulties of carrying into effect the full recom-

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mendation, and at a meeting of Lord Grey's Government with the Commissioners themselves who signed that Report; those difficuties were, at Lord Althorp's desire, explained by me to those Commissioners, and those Commissioners came without any doubt or hesitation to the opinion, that it was not expedient to carry into effect that recommendation in the Bill which was then about to be introduced; therefore, it was omitted in the Bill which the Right honourable Baronet himself introduced into Parliament. But to the opinions then stated by me, re-stated in 1848, and repeated now, I give my most entire unqualified assent, confirmed by experience, that revenue as far as possible should be paid in, and that the expenses of the revenue, as far as is possible, should, as far as susceptible of estimate, be all estimated for, and paid under the authority of Parliament; I also adhere to the exception to the rule, admitting, however, that such exception ought to be viewed with suspicion, and only to be applied when a case is distinctly made out to warrant its application.

38. In answer to Question 2574 before that Committee on Miscellaneous Estimates your Lordship gave this answer, with reference to adherence to the strict principle of all monies, without exception, being paid into the Exchequer: "It would be attended with very great inconvenience to individuals and to the public, and the loss of time in the remittance of the public money first to London and thence its remittance back to the outports for revenue payments would be very great." A document has been sent to all the Members of the Committee which is headed, "Papers relating to the Re-arrangement of the Services charged on the Gross Revenue Consolidated Fund and Annual Votes in Supply," and I find in that document, under the signature of Sir Charles Trevelyan and Mr. Anderson, on the 1st February 1853, this comment upon that answer of yours: "This question and the answer to it, supply the clue to those imaginary difficulties and inconveniences with which the question of the payment of the gross revenues of the State into the Exchequer is associated in the minds of those who have hitherto resisted the measure. Can they seriously imagine that the progress of improvement in the Government service has been so slow that the ordinary facilities and securities for the remittance of money, so familiar to the commercial community, are still unknown or unpractised in the revenue departments, or that the pecuniary intercourse between the different branches of the Government is still of that primitive kind that the gross revenues could not be paid into the Exchequer without sending up to London from all parts of the kingdom the gross sums collected, and transmitting back from the Exchequer to the country the sums required for the payment of the local charges of collection? It is needless to say that the supposition would be entirely erroneous; indeed the system which it would be necessary to adopt if the charges of management were provided for by annual votes of Parliament is already in operation in the revenue departments all over the kingdom for other voted services; thus they pay monthly allotments of pay to seamen's relatives, remittance of wages and prize-money, half-pay of army, navy, and ordnance officers, military and civil pensions, and allowances of all kinds, and various other services; these are all the subjects of annual estimates and votes, and they are paid in every part of the country by the local collectors of revenue out of their current receipts." Does that argument adduced by Sir Charles Trevelyan and Mr. Anderson in favour of strict adherence to the most rigid principle at all shake your opinion with respect to the exceptional cases?—With great deference to the Right honourable Baronet, I doubt whether it does affirm the principle as strongly as he imagines it to do; on the contrary, it justifies the payments out of current receipt or gross revenue; it affirms the principle of applying the system which now prevails, and which did prevail, and which I believe must still prevail; that principle affirms the payment out of the gross proceeds, and the repayment of the sum which has been so disbursed. That paper was written, as I believe (for it was new to me till within the last few days), before Mr. Gladstone's change of the law in 1854. Mr. Gladstone's change brought the act of collecting the revenue under the control of Parliament. Now I think that what is anticipated and recommended in his speech, is what is now practically done. That is, at Liverpool, for instance, the Excise revenue is employed for the payment of Excise salaries; a sum voted is subsequently issued, and the amount which at Liverpool has been paid for Excise salaries is issued from the Exchequer to the Excise, and the same sum as a third operation is repaid to the

Exchequer

Exchequer as Excise revenue. It is not to be imagined from that, I presume, that Sir Charles Trevelyan and Mr. Anderson recommended that the money shall be paid to the Bank of England in London, and remittances shall be made to Liverpool to pay Excise salaries; they still assume that the Excise salaries are to be paid at Liverpool, but that the amount of those salaries should be repaid subsequently by the Exchequer to the Excise, and ultimately be again repaid by the Excise to the credit of the Comptroller-general. That recommendation was identical, as far as I can understand it, with the explanation of Mr. Gladstone, for he stated that the mode of payment would continue the same, although the principle of account would be different. I believe those were his words.

39. Whatever may be the purport of that comment, adverse to your view with respect to the remittance of the public money, first to London, and thence back to the outports for revenue payments, that the inconvenience would be very great, is your Lordship of opinion that the Act of 1854 passed subsequently to that minute drawn by Sir Charles Trevelyan and Mr. Anderson, does fulfil all that in your opinion can be safely done with respect to the remittance of the gross revenues, and does satisfy also in your opinion the comments of that memorandum?—I think the Act of Parliament does not quite adequately describe the practice, without taking the commentary of Mr. Gladstone in introducing it as an explanatory context, because the Act of Parliament itself does seem to me to make provision for the local payments, but it was expressly and repeatedly stated at the time, that the local payments would continue the same as they had been before. I think that a party reading that Act for the first time would imagine that it was intended to pay in and to issue out the whole to and from the Exchequer. Now what is done is this, out of gross revenue the salaries are paid. There is a vote taken for the payment of the salaries. When those salaries are so paid out of gross income there is an issue made by me to the amount of the salaries, and subsequently the issue so made to the department by the Comptroller-general is repaid to the Comptroller-general himself, and to the Consolidated Fund. It is a complicated system, but it carries into effect what Mr. Gladstone explained as his object, though it does not realise the system of some of the advocates for the change. The payments continue unaltered, but a Parliamentary control is given over the total expense, and the system of account is varied likewise.

40. The Committee are aware of your Lordship's view with respect to the exceptional cases and the necessity of meeting them, and the Act fulfils and satisfies your view in maintaining the exceptions; but does it appear to you also to fulfil and satisfy the desire expressed in the comment upon your evidence by Sir Charles Trevelyan and Mr. Anderson which I have just read to you?—If the opinion of those gentlemen meant that the former system should be adhered to in local payments out of gross revenue, and that a vote should be taken and the issues out of the vote should be returned again to the Exchequer, it fully satisfies that view to that extent; my view was that all that could be estimated for might be provided in supply, they assume that my view and their view did not correspond in this respect. I advocated, as they too advocate, Parliamentary control in matters susceptible of estimate. I deprecated that which I consider they deprecate, the possible remittance of money to all the outports to pay salaries, the revenue collected in those outports having been previously remitted to London; I do not think there is any difference in that respect, but I cannot consider the present system as realising what is termed the gross and net principle, which I still consider incapable of being realised.

41. With your Lordship's combined knowledge of the working of the Treasury, and subsequently of the Exchequer, are you of opinion that there has been done, with reference to payment in of revenue, all that can be safely done, due regard being had to the promptitude and efficiency of the public service?—No, I do not.

42. Wherein is the deficiency?—I do not think that the law can be in a right state, or that the practice under the law can be correct, if it admits of the payment of such a sum as 213,000 *l.* out of gross revenue, which is the sum stated to have been so disbursed after the passing of Mr. Gladstone's Act as compensation for the hereditary pensions; I do not think that would come under any exception or be justified on any principle; it is withdrawing from the vote of Parliament and from the cognisance of those who should be responsible for the legality of those payments a very large sum. Now if that is consistent with the present state of the law it is quite clear to me that the law is defective; there is

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no motive of convenience in it. There is no question here of remitting to Aberdeen or John o' Groat's House revenue for the purpose of paying people there. This is therefore a payment out of gross revenue which, if it is justifiable and warranted by Mr. Gladstone's Act, shows me that that Act is in its present form defective.

43. The Act to which you have just referred is an Act passed in August 1854, intituled, "An Act to alter the mode of providing for certain Expenses now charged upon certain branches of the Public Revenues and upon the Consolidated Fund"?—Yes, that is the Act to which I refer.

44. Having looked into the subject narrowly, do you think that the payment to which you have just referred, and which you think irregular, is consistent with the letter of the enactment of 1854, or is in violation of it?—That is a legal question, upon which I should hesitate in pronouncing an opinion; but I can only say that if that payment had been required to be made by me at the Exchequer, I should have felt that I could not legally have made it. Supposing the whole gross revenue paid in to the Exchequer without exception, carrying into full effect the theory of the advocates of the gross and net principle, if I had been asked at the Exchequer to issue this money, it is quite obvious that I could not legally have paid it. Whether it is lawful to pay it out of gross revenue as the law stands is a matter which does not relate to me as Comptroller-general, and I therefore hesitate in giving a legal opinion.

45. The Act of 1854 did not go the full length of the rigid principle, it provided for exceptional cases; according to your view, that Act being in principle correct, does it in your opinion provide as for an exceptional case for such payment as that to which reference has been made?—I do not think it does. But touching upon this subject, I must be allowed to say that there is a precedent in which a payment was made, in the year 1825, under similar circumstances; I mean the redemption of a pension payable to the first Lord Melbourne, father of the head of the Cabinet of 1835, which was dealt with in the same way as these pensions have been commuted in 1856. That, however, was before the establishment of the Exchequer Act, and it was also before the passing of the Act by Mr. Gladstone, to which reference has been made.

46. Two Acts of Parliament, with reference to the Exchequer, have passed subsequently to that transaction to which you have referred in 1825?—Yes.

47. And the legality or regularity of the transaction in question will turn upon the construction of those two Acts?—Certainly it may do so, though, as I have already stated, I must abstain from giving any legal opinion.

48. What is the construction which you put upon them?—I unhesitatingly put a construction upon my own Act, which regulates my own proceedings, and I state that I should not have felt warranted in directing such an issue. But with respect to the authority of the Treasury to make the payment, that is a point of law upon which I should feel it somewhat presumptuous in me, not a lawyer, to pass a clear judgment; but my own opinion is, that it was a mistake of practice, adopting one precedent, which I think a bad one, and not adverting to the precedents of an opposite kind, some of which were in my own time, whilst I was Secretary to the Treasury, under Earl Grey and Lord Spencer; some will be found subsequently, and some preceding my time, in which another and a better principle was adopted.

49. Mr. *Chancellor of the Exchequer.*] Will you state what that principle was?—I will state my own case, which is the simplest one. In settling the Civil List of William the Fourth, with which I was to a considerable extent entrusted by the Cabinet, as the Right honourable Baronet opposite knows, under the direction of Lord Althorp, I found that there were several small pensions which were charged upon the old Civil List, and it was, I think, very wisely felt that it was expedient to buy up those small pensions. The Committee of 1831 made that recommendation, and the Committee recommended also that there should be an inquiry into the origin of those pensions and their legality before they were bought up, resolving that where the titles were established, it was desirable that they should be commuted and extinguished. The Committee upon the Civil List in 1831 report, that where a satisfactory title to these small payments is shown, "your Committee are of opinion, that the propriety of extinguishing these small claims by the payment of an adequate compensation, should be considered, with a view to the simplification of the public accounts, and to the relief of the several departments from the inconvenience, expense and delay incidental to" the payments of these small sums. Two pensions had been granted,

granted, which are of historical interest; one was in perpetuity to the heirs of Colonel Fairfax, and the other to the heirs of Nicholas Yates; they were for services rendered to Charles the Second. Another Committee sat in the year following, and in reference to those pensions they state, "The House will recollect that the Committee of 1831 recommended the extinction of such of those small payments as could be commuted for a reasonable sum. Under this recommendation, the Treasury have laid before The House estimates for the extinction of the perpetual annuities paid to Fairfax and Yates, for which consequently no other provision will be required." The terms on which the commutation is proposed, will be found in the Miscellaneous Estimates. I laid an estimate on the table of The House, for the amount necessary for commuting those pensions, and on my motion as Secretary of the Treasury to Lord Grey the sum was voted; it is contained and provided for in the Appropriation Act of that year, 3 & 4 Will. 4, c. 96, s. 19. The commutation was thus effected, but effected, as I have shown, with the cognisance and approval of Parliament. That is the first case; there are other cases of a more important kind. There are the cases of the former payments to the Duke of Grafton, 43 Geo. 3, c. 156. There are the payments for the prizage and butlerage of wines in Ireland to Lord Ormond, 46 Geo. 3, c. 94, and 50 Geo. 3, c. 105, and in England to other persons similarly interested; there are the payments for the extinction of the coal tax called the Richmond Shilling, under the authority of the 39 Geo. 3, c. 84, and 39 & 40 Geo. 3, c. 43. In all those cases the commutations were made subject to Act of Parliament, and in no case except the case of 1825, do I observe that the course taken has been the same taken in the present instance.

50. Sir *J. Graham.*] Fixing your attention for the moment upon the most recent purchase since the passing of Mr. Gladstone's Act, if that Act permits such a purchase, is it your Lordship's opinion that the relaxation in favour of the exceptional cases has been too great, upon the principle of paying the gross revenue from the revenue branches into the Exchequer?—If that purchase out of gross revenue is warranted by the legal force of that Act, that Act is in my judgment defective, because not only was there my case in 1831, but there was a subsequent case, establishing the same principle, when Parliament was called upon to give powers to extinguish certain small charges upon the land revenue, and that was done by Act of Parliament giving the Treasury the power of extinguishing them; but giving that power, subject to a limitation that they were not to exceed 10 *l.* a year.

51. Your Lordship, although an advocate for the relaxation of the strict principle with respect to the payment of gross revenue into the Exchequer, would be of opinion that the relaxation has been carried too far, if under the Act of 1854 such a transaction is admissible?—Certainly; if it is legal under that Act, upon which I was asked to pronounce an opinion, but declined doing so; I stated, however, that it was warranted by the precedent of 1825, but how far it is warranted by the law as it stands, taking the subsequent enactments into account, I declined venturing upon a legal opinion.

52. Mr. *Wilson.*] You stated the Act which had in view the payment into the Exchequer of all monies; I suppose by that, the Committee are to understand by your subsequent explanation that there is no provision in the Act for all monies being paid into the Exchequer, but that it shall be a matter of account, so that the account shall show the gross receipts, and the full payments?—I take the Act with Mr. Gladstone's explanation, in which he said distinctly that the old system of payments shall be continued, but that the system of account shall be varied; this was as relating to the charge of collecting the revenue only.

53. Is there anything in the Act at all that infers that payments shall be made into the Exchequer?—The object of the Bill I understood to be to approach as nearly as you could to the payment in of the gross sum, and to the issue out of the sums required for the public service. That was the explanation, but it was stated by Mr. Gladstone not to amount to any obligation to pay in the whole gross sum, leading to the consequence of being compelled to remit money for the payment of the revenue charges.

54. Was not that rather the effect of the Bill than the provisions of the Bill?—I cannot separate it's effect from it's provisions.

55. Were not the provisions of the Bill explicitly for the purpose of taking off the gross revenue certain payments, and paying them by vote of Parliament,

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which before that period had been paid from the gross revenue?—No doubt it was to a very considerable extent; and there was no difference made by the Act or the Schedules in respect to the pensions under consideration, which were left still payable out of the gross revenue.

56. Is not this a correct and proper description of the Act which you hold in your hand, that certain charges had been before that time payable from the gross revenue before it reached the Exchequer, and the object of that Act was that those charges should not in the future be paid from the gross revenue, and that certain charges upon the Consolidated Fund should be taken from the Consolidated Fund, and annually voted by Parliament?—No doubt that was the general object of the Act.

57. And indirectly by that means monies which had been paid for the expense of collection and other purposes prior to that Act, would become payable into the Exchequer?—Certain of these monies became payable into the Exchequer.

58. Those payments being transferred from the gross revenue to votes of Parliament, was not the indirect effect of that, that those monies became payable into the Exchequer?—Yes, provided the charges had been paid out of the votes.

59. And therefore, though there be no clause in that Act enacting that the gross revenue shall be paid into the Exchequer, the circumstance of removing those charges formerly paid from the gross revenue has indirectly that effect as far as the Act goes?—Yes, it has indirectly, circuitously, and in a complicated way.

60. Those payments which were legally payable from the gross revenue before that Act, and which were so to be transferred, were scheduled in the different schedules attached to the Act?—Yes.

61. And therefore all legal payments payable from the gross revenues prior to that Act of Parliament, and not scheduled in that Act, were exempted from its operation, and were, as in former times, payable from the gross revenues?—No doubt, but this was in abandonment of the strict net and gross principle; the payment of this pension is an example, having been paid out of the gross revenue before the passing of Mr. Gladstone's Act, Parliament not having transferred it by the Act either to the Consolidated Fund or to the Supply. This pension as an annual payment continued legally payable out of the gross revenue after Mr. Gladstone's Act, in the same way as it had been before. My evidence did not shake that principle in the slightest degree; it referred exclusively to the commutation of the pension for the sum of 213,000 *l.* without a Parliamentary authority.

62. The pension itself was by Act of Parliament chargeable upon a particular revenue; it was an hereditary pension, and assignable like a freehold property?—Yes, I believe so.

63. Can you quote any precedent whatever for the redemption of a pension which was chargeable upon a specific revenue under an Act of Parliament, of the like kind which was paid by a vote of Parliament, and not paid out of the revenue upon which the pension itself was chargeable?—I will refer to the cases, and mark how far they support the one view of the case or the other; I shall first consider the perpetual pensions on the land revenue in 1853, which were redeemed by Act of Parliament. There being certain pensions at that time chargeable upon the land revenue, by the 16 & 17 Vict., to facilitate the redemption of certain charges on the hereditary possessions and land revenues of the Crown, the Commissioners of Woods were authorised to purchase from any ecclesiastical person or body any perpetual pension charged on the land revenue not exceeding 10 *l.* per annum, provided that if the purchase-money exceeded 100 *l.*, the previous authority of a Treasury warrant were first given; that sum, I presume, to be paid out of land revenue.

64. What Act is that?—The 16th & 17th of Victoria, chapter 56; a Parliamentary sanction was thus obtained with a restriction put upon the action of the Government, by restraining purchases to pensions not exceeding a given amount.

65. The restriction put upon the action of the department not exceeding a given amount; if it exceeds the amount they must have the sanction of the Treasury?—The Commissioners of Woods were authorised to purchase from any ecclesiastical person or body any perpetual pension charged on the land not exceeding 10 *l.*; but even in that case a Parliamentary authority was given, and a Treasury warrant required where the price exceeded 100 *l.*

66. Sir

66. Sir *J. Graham.*] That Act was passed the year before Mr. Gladstone's Act?—Yes. Then the purchase of the pensions of Fairfax and Yates was made out of vote of Parliament.

67. Mr. *Chancellor of the Exchequer.*] Was that a Civil List pension?—It was originally a Royal pension, but charged on hereditary revenue.

68. There were no means of redeeming that pension without the authority of Parliament, were there?—The authority of Parliament might have been resorted to to charge it upon land revenue of the Crown, but it was redeemed out of a Parliamentary vote.

69. Without the authority of Parliament the Government could not have redeemed it?—I contend they ought not to have done so.

70. Not being charged upon any specific fund, but being a Civil List pension, it was not competent to the Government to redeem the pension without the specific authority of Parliament?—It was not an ordinary Civil List pension, payable out of the granted Civil List, though it was a Civil List pension, payable out of hereditary revenue. It was in perpetuity chargeable upon certain funds. Charles the Second, by letters patent, granted to Fairfax and his heirs an annuity of 100 *l.*, and charged it upon the revenue of Customs at Hull; in the very loose practice of those days it was so charged; but, however, on the accession of James the Second, by letters of Privy Seal of 1686, Colonel Fairfax being then dead, it was discovered that though the term of grant was a perpetuity, yet being upon the Customs revenue, it only enured for his Majesty's life, a Privy Seal was issued reciting that as the Customs granted by Parliament for his late Majesty's life were not legally charged with the pension, it should be issued out of any money not appropriated by Parliament, that was out of the special revenue of the Crown. In the other case, James the Second, by letters patent, granted, I rather think in consideration of Yates's fidelity, the sum of 100 *l.* a year; that, unlike the former, appears rightfully charged; it was a perpetuity upon the possessions of the Crown; both of those consequently, if the principle of 1825 be correct, might have been made matters of charge upon the hereditary possessions of the Crown; but the course that Lord Grey's Government took was to prepare an estimate and to get the authority of Parliament for the redemption, even in a case where such commutation had been twice recommended by Select Committee, and the redemption took place by statute.

71. Mr. *Wilson.*] Therefore, in point of fact, they were redeemed from a fund different from that upon which they were chargeable?—Yes; but one out of which they could have been legally paid.

72. That is, being chargeable upon the land revenue of the Crown, Lord Grey's Government induced Parliament to pay them out of the public Exchequer?—Precisely so; because at that time the arrangements made with the Crown depended upon the principle of continuing on the Civil List nothing but what concerned the service of the Crown itself, the amount granted for the Civil List being proportionally reduced; consequently a provision was to be made *aliunde* for other charges, and for these pensions amongst them.

73. Then with regard to land charges or annuities chargeable upon land revenues, is it not the case that Parliament has no right to deal with the fee-simple of that property; does it not require an Act of Parliament to deal with the fee-simple of that property; and are not the public only in the capacity of life renters, having therefore no right to deal with the property itself, except by a distinct Act of Parliament, or the consent of the Crown?—One or the other. There are, however, provisions in the land revenue which permit sales, exchanges, and purchases out of a capital fund, without more specific Parliamentary authority. Then the next case to which I wish to call the attention of the Committee is the Act of the 43 of George the Third, giving to the Duke of Grafton a commutation upon the prizage and butlerage of wines. The Act of the 46th of George the Third was passed to confirm an agreement entered into with the Duke of Grafton under a former Act for the purchase of the rights in consideration of an annuity for 6,870 *l.*, charged on the Consolidated Fund, the amount being calculated on the average of the net receipts for the 12 previous years. This annuity was payable to the Duke of Grafton and his heirs male, and there was a provision for the redemption of the whole annuity, or of one-third previously to that year at the desire of the Duke of Grafton. This provision was carried out as a redemption by the issue of 49,133 *l.* from the Exchequer, out of supplies, the purchase of one-third part the annuity; 86,435 *l.*

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out of supplies in 1815 for the purchase of the remaining two-thirds of the annuity, all authorised and confirmed by Act of Parliament.

74. That annuity of the Duke of Grafton's was in point of fact a tax; he was in the receipt of a tax levied upon certain commodities to a certain extent?—Yes.

75. It was not charged upon any branch of the revenue going to any department, but it was the right to collect a charge himself independent of any branch of revenue upon those articles?—It was a grant payable to a subject in the shape of a tax payable by the subject. This was redeemed by the application of the Government to Parliament for an authority to carry that redemption into effect.

76. In the case of the annuity of the Duke of Grafton there was no fund out of which that pension could have been redeemed, out of which the capital value of the income could be paid, excepting by a vote of Parliament?—I do not know that it could have been done in any other way, except by statute. I do not know what the fund could have been, excepting, undoubtedly, that under the looser practice of earlier times there have been transactions out of gross revenue that, I think, might have warranted the application.

77. That income of the Duke of Grafton's was no part of any public monies otherwise collected on the part of the Crown?—No, it was a duty granted by the Crown, but a duty of the nature of a tax paid by the subject; the commutation of that was made by Parliamentary authority.

78. It was a right to tax?—It was a right to tax, or to receive the proceeds of a tax.

79. *Chairman.*] Upon what was the annuity charged when it became into an annuity?—I think it is all found in the recital of the 43 Geo. 3, c. 156, which Act authorised the Treasury to treat, but by section 4 no contract was valid without Parliamentary confirmation. This was given by the Act of 1806. The consideration paid was charged upon the Consolidated Fund, and issued out of the Consolidated Fund. This latter charge was redeemed in 1815.

80. Mr. *Wilson.*] It was the repeal of a small tax which was payable to an individual, and that individual was compensated by a sum of money paid out of the Consolidated Fund with the consent of Parliament?—Yes.

81. Sir *H. Willoughby.*] Was not the prizage and butlerage upon a part of the hereditary revenue of the Crown?—I believe it was: but that is a matter of of legal antiquarianism. I have no doubt, however, that those grants were grants of rights which previously belonged to the Crown. Then there is the case of Lord Ormond. He, in like manner, had his rights of prizage and butlerage of wines in Ireland. In 1806 the Act of the 46th of George the Third passed, enabling the Treasury to contract for the purchase, with the same proviso that the contract should not be binding until sanctioned by Parliament. Under the Act of the 50th of George the Third the contract was confirmed, and an issue of 216,000 *l.*, Irish currency, was authorised to be paid out of the Consolidated Fund in Ireland.

82. Mr. *Wilson.*] That again is a similar case?—I do not believe it is distinguishable from the other. The case of the Richmond Shilling is another case; that was a duty of 1 *s.* 8 *d.* per chaldron granted on all coals exported from the River Tyne; it was granted by letters patent, dated in the year 1676, to the Duke of Richmond and his heirs. In 1799 the Act of the 39th of George the 3d authorised the Treasury to contract with the Duke of Richmond for the purchase of his rights, and to grant to him and his heirs out of the Consolidated Fund a compensation by way of annuity. Then the fourth section provides that the annuity so granted should be subject to redemption, upon such terms as should be agreed on by the Treasury and the Duke of Richmond. The 39th and 40th of George the 3d confirmed that contract and agreement subsequently made, and charged one annuity of 19,000 *l.* upon the Consolidated Fund from the 5th of July, with a similar power of redemption as in the case of the Duke of Grafton's annuity. One-third of this annuity appears to have been redeemed previously to 1805, another third by issue from the Exchequer of 146,000 *l.* out of supplies, and the remaining third by the issue of 200,000 *l.* out of the supplies of 1824. It should be observed that the duke's interest on coals was charged with the payment of an annuity of 5,000 *l.* to Sir Thomas Clarges, his heirs and assigns. Under the Act of the 39th of George the 3d the payment of that annuity was transferred, and was charged upon the Customs Department. I have not the particulars of the case of Lord Melbourne immediately at hand, but

but I know that that case was founded upon the principle of purchasing up the annuity without any distinct Parliamentary authority.

83. With regard to the Duke of Richmond's pension, it was merely a charge which one subject had the right by Royal grant to make upon certain other subjects of the realm?—It was a tax upon coals out of the Tyne granted by the Crown, which, I believe, the Crown had a power to grant, otherwise I cannot assume that Parliament would have indemnified the grantee.

84. Therefore when Parliament interfered, it did so for the relief of one class, that is the coalowners in the Tyne, and compensated the person who was supposed to have a legal claim upon their commodities?—Perhaps I may state the case of Lord Melbourne, because it is of a different character. It is now before me. This is the case of 1826. There is no statement that I can find made to Parliament of that payment, except in the Finance Accounts. In that respect it differs from the present payment, in which the payment of the 213,000*l.* is laid unequivocally before Parliament in the balance sheet, although after the purchase; but I find that in the Finance Accounts of 1824, there is a statement in respect to the Excise revenue, out of which Lord Melbourne's payment was made, of 1,500 *l.* for pensions. I find that in the year 1827 Lord Melbourne's pension is reduced to the amount of the quarter due in April to 750 *l.*, thereby showing that in the intermediate time that pension had been purchased or extinguished. It is subsequently stated in the Finance Accounts, "the purchase of an annuity of 1,500 *l.* per annum payable to the Right Honourable Lord Melbourne, 30,000 *l.*" They had both been reported to Parliament, the one in the Finance Accounts in 1825, in the case of Lord Melbourne, and the other in the balance sheets, in the case of the Duke of Grafton and Mr. Eyre, in 1856.

85. I speak of Lord Melbourne's pension now only. There was no announcement to Parliament of the purchase of Lord Melbourne's pension, except the Finance Accounts for the year in which it was made?—None.

86. That is the only pension to which you have now adverted, which was chargeable upon any branch of the public revenue?—I am not quite prepared to say that.

87. Any one that you have alluded to?—I am not prepared to say as a matter of law what the prizage and butlerage of wines constitute.

88. You are not prepared to say that any of the pensions to which you have adverted, where Parliamentary action was taken before they were redeemed, were chargeable upon any of the great public branches of the revenue?—I am not able to answer that question.

89. Lord Melbourne's case is the first that you come to which clearly was charged upon one of the large branches of the public revenue?—Yes, it appears to have been chargeable upon the Excise; but whether it was chargeable upon the hereditary Excise, or upon the general fund of the Excise, I cannot say; it appears to be stated differently in the Treasury Minutes of 1825 and 1826; the first states the hereditary Excise, the second the Excise generally. The former description I should imagine to be correct.

90. At the period when it was redeemed there was no distinction, the Excise was consolidated into one general branch of the revenue?—Yes, but only during the life of the Sovereign; at the time of its being granted, I am clear that it must have been chargeable upon the hereditary Excise, because the same principle that was applied to the small pension which had been charged originally to Fairfax upon the customs of Hull, found to be illegal, and corrected by charging it upon the unappropriated monies, namely, the hereditary monies, would perhaps have suggested some similar change.

91. Then the next pension which you find purchased, of which any Parliamentary record now is given, consists of two pensions in the year 1853; are you aware of pensions having been redeemed in that year; Lord Cowper's was one?—There was a net pension in that case chargeable upon the Excise of 1,593*l.* 16*s.*, redeemed for 43,000*l.* In the Finance Accounts for the year to the 5th of January 1854, it appears amongst the payments out of the Excise revenue in its progress to the Exchequer, "purchase of Earl Cowper's pension, 43,000*l.*"

92. That was in 1853?—That was in 1853.

93. And that was paid out of the gross revenue the same as the pension of 1826 of Lord Melbourne, and the same as the pensions which we have been discussing, which have been recently redeemed?—So it appears from the documents which I have read.

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94. And that, like the others, was chargeable upon the Excise revenues?—Yes; there was a pension, this authorised by a Minute of the Treasury to be paid from the capital of the revenues, of 1,503*l.* net, payable out of land revenues to Lord Cowper, and charged on hereditary revenue of North and South Wales, authorised by Treasury Minute, 5th April 1853, to be redeemed out of the capital of land revenues. This did not appear on balance sheet or Finance Accounts; but I believe there is a Parliamentary authority for making purchases out of the capital account of land revenue.

95. There were two pensions redeemed in 1853 according to the Finance Accounts before Parliament; the one chargeable upon the Excise, the other upon the land revenue, and both were paid out of the land revenues before they reached the Exchequer?—One out of land, the other out of Excise revenue.

96. In the introduction of the Act of 1854, which had for its object the removal of certain charges then existing upon the gross revenue of the Consolidated Fund to annual votes of Parliament, the charges for the Schomberg pension and the Duke of Grafton's pension were not scheduled?—They were not, being thereby still left legally chargeable upon the gross revenue as annual charges.

97. You have adverted to the speech of the late Chancellor of the Exchequer, and have partly construed the meaning of the Act by that speech; are you aware that the Chancellor of the Exchequer distinctly stated that he left those charges, and did not put them upon the schedule of that Act, because he had then opened a communication with those parties for the redemption of those charges, and therefore, as they were about already to be redeemed from the revenues, he did not think it necessary to make them part of that Act?—I remember a statement being made in respect to these pensions; but I do not recollect that such was the motive for not making them part of the Act. That might have been the case.

98. You do not remember that the Chancellor of the Exchequer distinctly stated that it was in view to purchase them, and that that was the reason why he did not put them upon the schedule?—He stated something on the subject, but I do not recollect distinctly what; but I am certain that they were left chargeable upon the gross revenue of the Excise as a legal annual charge not affected by the direct enactments of the Act of 1854. Therefore any argument which is derived from that circumstance to warrant their purchase out of gross revenue is a perfectly sound argument, so far as proving the legal title as an annual charge, but it proves no more.

99. Therefore it follows that whatever was legal with regard to the purchase of those pensions prior to 1854, remained equally legal with regard to the purchase of those pensions after 1854, nothing in that Act affecting the purchase of those pensions?—Nothing in that Act affected the purchase of the pensions further than the general intentions expressed by the Government of bringing all payments out of gross revenue more under the cognizance of Parliament in the shape of estimate and of vote than had been previously done.

100. Were not those questions distinctly limited by the schedules that were attached to that Bill?—The questions as to the power of paying were limited by the schedules of the Bill in so far as provisions for certain charges were made by supply; others were placed on the Consolidated Fund; and all that were not so provided for remained as they had been previously, that is to say, chargeable upon the gross revenue; such was the position of these two pensions. As annual charges, their title remained unchanged.

101. Therefore, no effect could be produced by that Act of 1854 upon any payment which was previously legal, excepting with regard to those schedules in the schedules of that Bill?—None in the direct provisions of the Act, according to my belief; if it were legal to pay them as annual pensions, irrespective of that Act, that Act did not make it illegal to do so, with or without Parliamentary authority.

102. You have been asked whether, if a payment of that kind could be made notwithstanding the Act of 1854, by the action of the Treasury alone, you should consider that that fact would prove that the Act is not sufficient for the objects for which it was intended?—That question was put, not with reference to the legal import of the Act, but as to the objects for which it was intended; in my judgment, the object for which it was intended was to bring everything under the cognizance of Parliament, except the exceptional cases that were referred

referred to in the report of the original commission; this is not one of those exceptional cases.

103. Then no payment could possibly be made by the Treasury out of gross revenue now, unless it were a payment which is legally chargeable upon the revenue before that Act, and not included in the schedules of that Act, and the power of the Treasury with regard to any payments made out of gross revenue, must necessarily be limited by the charges legally made upon gross revenue prior to that Act, and not included in the schedules of that Bill?—Yes; it is clearly limited by that.

104. Therefore, no discretion lies with the Treasury to make any payment out of gross revenue, excepting those powers which it had prior to 1854, and in those cases which were not included in the schedule of that Act?—I consider that the Treasury are left with full power of making repayments and drawbacks, and allowances of that kind, because they were legally payable before, and are not included in the schedules of the Act as provided for on the Consolidated Fund or Supply.

105. Mr. *Chancellor of the Exchequer.*] The effect of the redemption has been to put an end to a payment out of gross revenue?—Yes, subject to the exceptions stated.

106. Mr. *Wilson.*] And to render it necessary for the amounts of those payments to go into the Exchequer?—Yes, so far as these pensions are concerned.

107. Mr. *Chancellor of the Exchequer.*] Therefore this redemption was, in fact, a measure carrying into effect the policy of the Act; the policy of the Act being to extinguish annual payments out of gross revenue?—In that sense it was, but that does not touch the question of whether the interposition of Parliament was or was not necessary to justify the redemption by a gross payment out of revenue.

108. Mr. *Wilson.*] You have used the expression with regard to that payment of "illegal and incorrect," and in illustration of that you said that had you been required to make that payment out of the Exchequer you certainly would have refused to do so?—Yes, in reference to the construction of the Exchequer Act, and to my duties as Comptroller-general.

109. Is not the power of the Exchequer limited to payments which are made under a direct vote of Parliament, or charged by Act of Parliament upon the Consolidated Fund?—That was the precise meaning of my answer. All payments from the Exchequer require either a vote of Parliament and Ways and Means Act to supply the means of paying it, or an Act of Parliament charge on the Consolidated Fund, together with the ways and means for defraying it. A payment of this description could not have recited any Act of Parliament, for there was none; it could not have recited any charge upon the Consolidated Fund, for there was none; therefore the payment from the Exchequer would be absolutely illegal, and Royal Orders or Treasury Warrants on the subject would have been absolute nullities, if they had been issued.

110. Therefore, though it may be that payments from the Exchequer for a hundred purposes would be incorrect and illegal, it does not follow that the same payments are illegal if paid by the Treasury?—Certainly not; there is nothing truer; for example, no Exchequer authority is required to pay back drawbacks; that rests upon the authority of the Crown, carrying an Act of Parliament into effect.

111. With regard to the Act of 1854, are there not other charges which are still left chargeable upon the gross revenues, and which were not scheduled in that Act, such as the daily expenditure on the part of those departments?—There are some other charges upon those departments which were not touched by the Act, but I cannot designate them as daily expenditure.

112. Is there not a large amount of superannuation allowances?—Precisely so.

113. Do you see any reason why those superannuation allowances should not be voted by Parliament, the same as the superannuation allowances of all the other departments of the State, and that the monies now paid on their way to the Exchequer, or in account, should not be voted by Parliament, and the monies go into the Exchequer?—No earthly reason, where it can be shown that the superannuation allowances and retired allowances in question are on the same title and stand precisely on the same footing with the superannuation allowances which are now voted. It was not from any difference of

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opinion with respect to the obligation and duty of voting such superannuation allowances as I have described, that I should have suggested changes in the first Bill of 1854, but it was because there was no enumeration of those allowances, and consequently there might have been included under the one form charges of a totally different character. The amended Bill was brought in by the House of Commons, I presume, upon the recognition of that distinction, but the superannuation allowances, so far as they are similar to the other superannuation allowances, might be advantageously voted, and ought to be so, I think.

114. Are you not aware that there was in the Bill, as it went from the House of Commons, in the Schedule, a provision that all the superannuations of those public departments should be voted and included in the current expenses of the departments, and that it was struck out in the House of Lords?—Yes, but there was a report of the House of Lords upon the subject, explaining the reason of the objection raised to that Bill. The Report is communicated to the Commons; there was such a provision in the original Bill. There were two Bills introduced; the first Bill introduced by the Government, placed these allowances upon the supply votes. The objection raised was, that there was no schedule of those allowances; I for one could not know what they were, and authentic statements were made showing that allowances were comprehended under that designation which were not all superannuation allowances held upon the same terms. There was one special case, which was a commutation for a surrender of a freehold office, as well as for service, and it was thought unwise to violate the principle of the Bill by providing in the same way for such a special grant, and for allowances of a totally different character. That led to the alteration of the Bill. It was lost on its return to the Commons. The Government introduced a second Bill, from which those were excluded, and that Bill passed into a law.

115. But the second Bill that was introduced was introduced as a matter of form, because the first Bill really could not be passed; the Bill was lost in the House of Lords by the alterations which were made, and it was necessary to introduce a second Bill in conformity with the alterations made in the House of Lords?—Yes; therefore I have given the reason of those alterations.

116. Mr. *Chancellor of the Exchequer.*] Do you think it desirable that that distinction should be maintained, that the gross charges of collection and management of the revenue should be annually voted under the provision of the Act of 1854, but that the charge for superannuations and pensions of the departments of Customs, Inland Revenue, and Post Office should not be voted by Parliament?—So far from approving of the law as it now stands, I disapprove of it. All that was wished or required was to show that those superannuations were all of the same character as those which are now provided for upon supply. The Government Bill recognised the distinction, but it did not carry it into effect.

117. Mr. *Wilson.*] The words in the Schedule, as the Bill went from the House of Commons, stood thus, under the head of Customs, "Charges of collection and management of the revenue, superannuations, pensions, &c. Customs." The words, "Superannuations, pensions, &c.," were struck out in the House of Lords?—Precisely so.

118. Do not the superannuation allowances which are now voted by Parliament, contain, with regard to all other public departments, everything that is granted by way of annual compensation for loss of office, as well as the ordinary superannuations under the Superannuation Act?—They do; but they may not be all *ejusdem generis* with these allowances. There is the word "Pension" there, and it ends with the extraordinary words *et cætera*, which it is submitted are somewhat vague and uncertain. It occurred at once, that those very pensions that you are now dealing with, which are pensions permanently charged, and to be advantageously got rid of by a commutation for their value, and other charges of that description might be included; whereas if all that was intended was held under the Superannuation Act, I consider there would have been no objection to voting them in supply at all.

119. In that case would not it have been better if they had only struck out the word "Pensions," and left the word "Superannuations"?—That would have been equally fatal to the Bill. What was wished for was, a list or specification of these allowances on which Parliament was called legislate. The Act was framed in such utter ignorance of the application of all its own principles, that

that it required to be modified in the House of Commons by a clause, purporting to save all life grants, though it failed to do so. The Masters in Chancery and judicial officers, the Master of the Rolls in Ireland, together with humbler persons, had been originally proposed to be provided for by votes in supply. It was to prevent the like error in respect to this vote that that vote for pensions and superannuations, &c. was suspended.

120. Was not that alteration made, contended for, and subsequently conceded in the Act, confined to the recognition of those pensions or compensations which had been granted by Act of Parliament?—The Honourable Member can refer to words of the Act himself; it was a saving of life rights to official salary; all grants for life in cases specified; it was a clause by which, if it had not been inserted, judicial officers would all have been made subject to votes in supply; but that clause was not in the Bill as introduced, and when introduced was most clumsily drawn.

121. That, however, had reference to the salaries of judicial officers, and not to the superannuation allowances?—There was a saving with respect to life interests, but neither clear nor comprehensive.

122. Mr. *Chancellor of the Exchequer.*] If the object had been to except hereditary pensions, such as the pension of the Duke of Grafton, and one or two other pensions, would it not have been easy to have put in a special provision to show that?—That amendment would have been equally fatal to the Bill as the amendment made. The amendment was accompanied by a report, which expressed in distinct terms that this objection was made solely from the want of information, none having been given to show what those pensions and superannuations included.

123. Mr. *Wilson.*] There was as much information given with regard to that particular item as any other item in the schedules, and more information might have been had if called for. There was no defect in the information with regard to that item that did not apply to all the others?—That information was asked for, and was not given.

124. We are agreed that there is no reason that the superannuations of the great revenue departments should form any exception to the other superannuation allowances of the other officers of State in being voted annually?—All superannuation allowances which are of the same character, and held by the same tenure of grant, ought to be voted in the same way; there can be no doubt about that.

125. When you speak of the same tenure, can you point out any distinction of tenure which applied to those superannuation allowances?—I know them not; I asked to see them, but was refused. Supposing a retired allowance granted for life, it would neither be just nor consistent with principle to take away from any man a life right which he then possessed, and convert it into a right determinable by a vote of Parliament.

126–131. Practically, all superannuation allowances are granted for life?—I cannot answer that question in relation to these superannuations and pensions, because that information was not communicated; it was asked for, and not communicated; but many grants of the nature of superannuations are during pleasure only. I am aware others are held on special condition.

132. Mr. *Williams.*] I understood your Lordship to state, that all the pensions that were redeemed previously to that of Lord Melbourne were redeemed under the authority of Acts of Parliament?—With the exception of some other cases to which I alluded.

133. Though the redemption money was paid out of the public revenue?—It was.

134. Mr. *Henley.*] I think you stated, with regard to the present law (without saying anything as to the regularity or irregularity of the right of buying up pensions to the amount of 213,000 *l.*), that you do not consider a state of things that will permit that to be done without the cognisance of the Exchequer to be satisfactory?—I think it is far from satisfactory. I think that the purchase and extinction of such allowances, of a permanent kind, and charged on revenue, is most desirable for the public service, but I think that Parliament has a right to be informed of the transaction, and of the terms under which it is carried into effect, so as to lend a sanction to the matter before it is finally completed.

135. Does your Lordship draw any material distinction between the issue of so large a sum as 200,000 *l.* from any branch of the gross revenue, because and on account of some pension that may have been charged upon it; is there any

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material distinction between that and any other sum that may have been arbitrarily ordered, under an order of the Treasury, to be deducted from that amount of revenue?—I think the principle would be the same; but I distinguish clearly between the payment of a legal annual charge and the commutation of that charge for a large sum without the knowledge and authority of Parliament; there is a distinction arising not only out of the magnitude of the sum, but out of the nature of the transaction. Parliament is jealous, and ought in all cases to be jealous, and whilst there may not be the slightest cause of jealousy in the payments of thousands in drawbacks and repayments or allowances, which depend on the application of a definite law, there may be suspicion, merited or unmerited, with respect to a transaction with a private individual who is reimbursed for an annuity which he possesses by a large payment out of the public purse.

136. That principle of drawbacks and allowances is sanctioned by Act of Parliament, and therefore it is only a question of principle?—It is merely the application of a law; the principle is established.

137. In the cases which you have stated before the Committee, you have enumerated the case of one pension of 1,500 *l.* a year being redeemed for the sum of 30,000 *l.*, and another pension of the same amount being redeemed for the sum of 43,000 *l.* That great difference of price would be a reason why Parliament should, at that time, have had cognisance and have given their sanction to the terms of the redemption?—In all cases. Those are illustrations of a principle which, I think, proves itself undeniably upon abstract reasoning, that, assuming a perfect right of redemption on the part of the Executive Government, as the terms of that redemption are matters in which the public itself, represented by Parliament, has a direct interest, as a matter of prudence and constitutional principle, the opinion of Parliament ought to be taken upon such a matter before the engagement is concluded. After the engagement is concluded it may be too late.

138. And therefore, without giving any opinion as to the regularity or irregularity of such a transaction as that which has been alluded to, or whether it was justified by precedent or not, you think that means ought to be taken to stop such a course of action in future?—Looking to the future I have no hesitation in expressing that opinion.

139. Mr. *Chancellor of the Exchequer*.] How many hereditary pensions remain charged upon the gross revenue at present?—I am not aware; I cannot state off hand whether those last purchases extinguished the whole, but whether they are or are not extinguished the principle seems to me alike. The question put to me by the right honourable gentleman was a question of principle, and wherever that principle applies I think such engagements ought to come under the cognisance of Parliament.

140. Mr. *Henley*.] Whether it is for the redemption of a pension, or any other purpose, you would not think it right that the Treasury should have the power to order sums of money to be paid from the revenues of the Crown without the sanction of Parliament?—I think not in any cases like the present. It was on that principle, even in relation to so small a sum as the 100 *l.* pensions, which I could have extinguished, if I had pleased, by a payment out of Civil Contingencies, without any Parliamentary notice beyond the appearance of it in the account for Civil Contingencies, I felt it right to lay an estimate on the Table of the House stating the terms, stating the agreement, and taking a vote for the money, and this even where I already had the recommendation of two Select Committees.

141. Mr. *Chancellor of the Exchequer*.] Nobody disputes the principle that the Treasury has no power to make payments out of gross revenue without special authority or special reason. The question is, whether it was a sufficient ground, and also a sufficient precedent for the redemption of this hereditary pension out of the gross revenue; and there is a further question, whether it is desirable with regard to any hereditary pension which may remain that the matter should be laid before Parliament previously to a redemption. Your opinion is that the latter course ought to be adopted?—That is my opinion; and I have already stated that I consider there is a justification, so far as precedent can justify, for what has been done; I have also stated that I believed the object of the purchase was a most useful one, namely, the extinction of those charges. But I think that the question which has been put to me is a higher one, and a more constitutional one, whether assuming the right so to act,

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it is not expedient that that right should be solely exercised with the cognisance and approval of the House of Commons.

142. Mr. *Wilson.*] With regard to the two pensions which have been the subject of discussion, they have been redeemed in the present year, and the only distinction between them and the pension of 1826 and the pension of 1853, is that the Treasury, instead of keeping the matter entirely from the cognisance of Parliament till the annual finance accounts have been published, and in no other form, have taken the earliest opportunity in the present instance of presenting them in the balance-sheet?—That is the only distinction that I see, but yet I should be far indeed from stating that the financial practices of 1825, and the precedents at that time, were to form a guide for us, when in many instances they are only useful as examples to deter with respect to the proceedings of the present day. In the year 1826, as the right honourable Baronet opposite, who framed the Admiralty Estimates of 1831, well knows, the payments out of gross revenue, for instance, paying between 700,000*l.* and 800,000 *l.* for the building of the Post-office in London, and entering into a contract at Liverpool for the Liverpool Buildings, without the knowledge of Parliament, out of gross revenue, were ordinary transactions in those days, being to my judgment departures from principle as well as serious violation of the Appropriation Act.

143. Mr. *Chancellor of the Exchequer.*] Were not those considered part of the ordinary expense of the collection of the revenue?—They might, perhaps, be so considered; but they were condemned by Parliament, when the matter was brought before them. In the case of the Liverpool Buildings, a contract was made to spend 175,000*l.* out of gross revenue. The Secretary of the Treasury of Lord Grey's Government laid an estimate before Parliament, and took a vote, before he would carry that contract into effect.

144. Though it might be a matter of prudence to lay the estimate before Parliament, was not the expense of a Custom-house a perfectly legal charge for the collection of the revenue?—I do not think it is a constitutional principle, that a very large sum of that description should be paid out of gross revenue without first obtaining the approval of the House of Commons.

145. Does the magnitude of the sum affect the principle; was not it at that time a recognised constitutional principle, that all the charges for the collection of the revenue, including the charges of buildings, such as post-offices or barracks for coast-guard, were considered a legal charge for the collection of the revenue, and therefore paid on the authority of the Treasury out of gross revenue?—If you ask me my own construction of what is right and wrong, I should say everything that was essential for the collection of the revenue might be made a matter of charge upon that revenue in those days; but if you are about to spend 700,000*l.* or 800,000*l.* upon building a Post-office in St. Martin's-le-Grand, it is clear that you are doing something beyond what is actually necessary for the collection of the revenue, and for that expenditure you ought to have a Parliamentary authority; and that was admitted in the year 1831.

146. Sir *J. Graham.*] Without pressing you to give an opinion upon the law, is the inclination of your judgment that the Act of 1854, which passed after the commutation of the pension in 1853, and before the last commutation, makes any difference in the transaction?—I think that the main principle laid down in that Act was to defray out of the gross expenses those things only which could not with convenience be paid in any other way; that everything that it was not requisite, that was not a matter of indisputable public convenience to pay out of gross revenue, should have been paid by a Parliamentary Vote. Such is the principle of that Act; there is a reserve upon that principle, I think, mainly resting on the explanations of its framer; these I consider to be in the sense of the reserves of the recommendations of the Committee of 1831.

147. Both purchases, the one in 1853, and the latter one, in your opinion, whether legal or not, are inexpedient with reference to the Parliamentary control?—Highly inexpedient.

148. *Chairman.*] Am I not right in saying that, previously to the Act of 1854, the House of Commons twice passed a resolution that the gross revenue should be paid into the Exchequer?—Such a resolution was passed on two occasion, even though it was met to a certain extent with a qualified opposition from the Government admitting the principle as an abstract proposition.

149. In the case of those two resolutions, though of course having no effect upon the law, does not it to a certain extent alter the constitutional view of the practice?

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practice?—So far as the strong expression of the opinion of the then House of Commons is concerned, it did; but I think the admissions in the debate in reference to this Bill of 1854 itself, all went the full length that I have stated, that nothing should be left chargeable upon the gross revenue, except those things which without inconvenience must be otherwise paid.

150. You have alluded to the practice previously to 1825; is not it consistent with your knowledge at the Treasury, that from 1830 downwards, as long as you were connected with the department, and from your knowledge since, that it has been the habit of the Treasury to submit to Parliament a great many of those charges which would previously have been paid out of the gross revenue?—From the period of my first connexion with the Treasury in the Government of Lord Grey up to the present time, I may say that I think it has been the desire of every one; I know that it was the earnest desire, and acted upon uniformly by the Governments with which I was connected, to include in the estimate everything that was susceptible of estimate, to bring under the vote of Parliament everything that was not of a nature to take it out of that category, and that I believe has been persevered in by every Government that I have since seen in office.

151. You have been questioned as to the strictly legal view of this payment, and you have mentioned that previously to 1830 there was a large sum of money paid for the building of the Post-office. Now, strictly and legally, is there anything in Mr. Gladstone's Bill that prevents the Treasury, if they so please, paying that sum of money now out of the gross revenue?—There is only one clause in the Bill, which, when coupled with the Votes of Parliament under the subsequent enactment, would prohibit the Government from paying anything which was connected with the collection of the revenue, because that is provided for by vote; I do not think it would be legal upon the part of the Government to pay anything for the collection of the revenue other than what is now provided for by vote. They should not assume that a building of the cost of 700,000 *l.* was for the collection of the revenue; I believe it would be very preposterous to imagine that.

152. Mr. *Chancellor of the Exchequer.*] The phrase is "collection and management"?—Yes; but I say still, unless you can assume, of which every gentleman around the table is a judge, that you could justisfy an expenditure of 700,000 *l.* for building an architectural Post-office under the term of "collection and management," it would not be right to incur such an expense without a Parliamentary vote.

153. Sir *H. Willoughby.*] Does not such a case show the necessity of some positive enactment against any such possibility?—I really think that the possibility is so remote as to amount almost to an impossibility; I can scarcely assume it: if there is any doubt on the subject, it ought to be guarded against, but I do not think that the case could occur.

154. Mr. *Hankey.*] I think you said that the Exchequer have not any control over the payments made by any Government department for its own expenditure, which expenditure, however, was sanctioned by a vote of Parliament; I think you said that it being deducted by a local department, you have no cognisance of that amount which is deducted for salaries, or for local expenses?—I have no cognisance whatever of what is so deducted and paid out of gross revenues. My duties are fixed by statute, and apply only to funds in my own hands.

155. Though that payment is a direct payment which is ordered by a vote of the House of Commons for salaries, it has been voted by estimate?—It has been voted by estimate; but then the honourable Member will see that I have cognisance of the amount of that vote, and I can see that the issues made by the Exchequer do not exceed that vote, but inasmuch as the payments may be made out of gross revenue antecedent, that expenditure does not come before me at all; I know the amount of the vote, but nothing more.

156. You do not know how much is expended in that vote, when it is deducted previously to its being paid into the Bank on the Exchequer account?—Not in the least.

157. How do you consider that consistent with the statement that you have made that the office of Comptroller is to prevent, under any possible circumstances, a misappropriation of money voted by Parliament?—Because all monies

monies voted by Parliament, come under my jurisdiction, and I can see that the amount of the issues made on account of those votes, are not exceeded, but anything which is paid out of gross revenue, does not come under my notice, because it is not one of the votes of Parliament, by which my conduct is to be regulated; it is done by the Government authority, not by mine.

158. That is the usual course, that is not only at present, but always has been the usual course adopted?—Yes, it was the usual course with respect to the collection of the revenue; Parliament had nothing to say to it. By Mr. Gladstone's Act, Parliament has a full knowledge of the maximum amount that it may cost, and any saving made upon that vote, is carried back to the public credit, and made ways and means for the following year.

159. As far as your office is concerned, you have no possible control to prevent the misappropriation of that money, which has been so voted by Parliament?—None, with respect to payment antecedent to the issue; I have no knowledge or cognizance of it.

160. Sir *J. Graham.*] If the Government had not thought fit to put into the account of the balance, the sum of 213,000 *l.*, paid for the purchase of this annuity, what would have been the first occasion, when a knowledge of that transaction would have been open to Parliament?—It could only have arisen by a transaction of that kind having transpired, and a motion being made upon the subject. There was no official manner in which it could have come to the knowledge of Parliament unless specially moved for.

161. Must it not have appeared in the Finance Accounts?—Yes, it would have appeared in that class in the column of payments out of the gross revenue no doubt; but those are the payments of the year antecedent, which are given to you after the transaction has already taken place.

162. At what interval of time would that entry in the finance accounts, have presented itself to the notice of Parliament?—In the olden time, before the late changes, the finance accounts were made up to January, although the financial year was continued till April. By so doing, there was undoubtedly a discrepancy between the finance accounts and the estimates of the year. The arrangements have now been changed, and the finance accounts are made up to April, the result of which is, that though you have got rid of the discrepancy between the accounts, you encounter another inconvenience, as the finance accounts are now made at a period when they can be of little or no use to Parliament. At the present time, I believe the finance accounts are not yet presented, and you have the finance business of the year nearly completed. I think that a more unfortunate change than the postponement of the finance accounts to a late time could hardly have occurred, with respect to the check and control of the House of Commons.

163. The finance accounts for 1855-6 are not yet presented?—No; whereas under the former system, you would have those accounts imperfect by referring only to the year of January, but perfect by giving you a guide with respect to the financial business which you have now lost.

164. The transaction in question will appear in the finance accounts of 1855-6?—Yes.

165. According to past experience, when will that account be presented?—That is impossible for me to say.

166. Will it be available, in all probability, during this Session?—I find that the finance accounts of the last year, made up as they are to March under the new system, were only presented to the House of Commons on the 6th of July 1855. Now under the old system you would have had the accounts to January made up and presented during the Committee of Supply.

167. The account of last year ending April 1855 was not presented till July?—Till the first week in July.

168. The transaction in question will appear in the accounts of 1855-6, which will not be presented till the middle of July?—I presume so.

169. Unless the Government had thought fit to present this item in the account of balances, which is not compulsory upon them by law, Parliament would not have been cognisant of this transaction till towards the end of the present Session?—I do not see how it could have been cognizant of it, unless by an accidental motion or upon the statement of a particular Members but allow me again to call to your notice the postponement of your public accounts,

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and to point out the great expediency of reconsidering the time to which the finance accounts are made up.

170. Mr. *Wilson.*] According to the old practice the finance accounts were made up from January to January, and therefore the finance accounts which you had presented about this time in the ordinary practice would have applied to the 5th of January of the present year?—Yes, but they would not have been presented before this time; it would have been long since, by the time that the Chancellor of the Exchequer was making his budget, and they would give a knowledge of the past expenditure, which is indispensable to those who wish to discuss the finances of the country; this is now lost by the postponement of the finance accounts from January to April.

171. Whereas, according to the old practice, the finance accounts presented in the present year would have been made up until the 5th of January; and as the transactions to which we have been adverting, namely, the commutation of those pensions, took place in the month of March of the present year, they would not have been included in the finance accounts until after the 5th of January of next year?—Assuming the fact of the date to be what the honourable Member has stated, the result would have been what has been stated.

172. Those transactions appeared in the quarter's accounts at the close of the year, and the quarter ending the 30th of March of the present year?—In the balance sheet.

173. For the year and quarter ending the 30th of March?—Yes.

174. And therefore the transaction occurred during that quarter?—Yes.

175. Supposing that the finance accounts were now made up to the 5th of January as formerly, that transaction would not have appeared in the finance accounts till the next year, and would not have been before Parliament till about Easter in 1857?—It would have been before Parliament in the balance sheet moved for in the same manner as it is now; therefore as far as that is concerned, it would be the same, but it would not have been included in the finance accounts till a later period than it now is.

176. As far as the finance accounts are concerned, had they been made up in the old way, this transaction could not have been known to Parliament till about Easter 1857?—That is the fact so far as the finance accounts are concerned.

177. If I say on the part of the Treasury, that the finance accounts of the present year, that is the year ending the 30th of March, are now in the printer's hands, and will be in the hands of honourable Members in a few days; is there not a great advantage, seing that only six weeks will be wasted in bringing down the transactions of the Government to the latest possible period, and especially in making the financial year correspond with the year of the votes?—There is some advantage in making the financial year and the financial accounts correspond, but that is an advantage quite as nothing in comparison with laying before Parliament the full account of what is contained in the financial accounts at such a period as to make it available for Parliamentary discussion. The finance accounts being presented in the month of July are, comparatively speaking, worthless. The financial business is at that time generally over.

178. If presented in the month of May, that objection is of course comparatively less?—Yes; to the extent of the time.

179. As far as this particular transaction is concerned, Parliament will have had through the finance accounts an intimation of it very nearly a year earlier than it would have had by the finance accounts under the old system made up to the 5th of January?—Yes.

180. You said just now that this transaction would have appeared in the balance sheet of the year, as it has now done; is it not the case that such transactions had never before the transactions of 1826 and 1853 appeared in any balance sheet at all?—I have not been able to consider them with a view to that, but as they appear in the balance sheet of 31 March, so it might have continued to appear; though as given in that balance sheet, it only led Parliament astray, for unquestionably reading that balance sheet the impression is, that the pension was purchased by an issue made; an issue made pre-supposes a payment out of which the issue is made. In this case there was neither a payment in, nor an issue out; it was paid out of gross produce.

181. The Committee are not to understand that the return to which you refer

refer is an Exchequer return; it is an Exchequer account?—Reading the account as a communication to Parliament, beginning with the balance in the Exchequer, then stating the various transactions, and ending with the existing balance in the Exchequer, it is unquestionable that that being put under the head of issue, any person reading it would imagine it was an issue out of the Exchequer.

182. Sir *J. Graham.*] Though for the purpose of Parliamentary information, you think that this issue is rightly made known, yet for the strict purpose of account, you think that it is improperly placed where it is?—I think it is placed unintelligibly; it is placed in a manner which I think must have led a great number of persons astray.

183. Mr. *Wilson.*] There is the annual payment of some account of 4,000 *l.* and some odd hundred pounds at the Bank of England for the management of the loan last year; was that an issue from the Exchequer?—No; it was a legal deduction authorised by statute.

184. Sir *J. Graham.*] Though it may be desirable to show these transactions, yet you would say that in this account they are not in the right place and form?—I think that this ought to have been put with some explanation, to mark that it was not an issue out of the Exchequer, nor as having formed any part of the balance in the Exchequer.

185. It never came into the Exchequer?—It never came into the Exchequer.

186. Mr. *Chancellor of the Exchequer.*] Does that balance-sheet purport to be an Exchequer account?—It is an account of the balances of the public money remaining in the Exchequer on the 31st of March 1855 upon the amount of money raised by additions to the Funded or Unfunded Debt. The total amount of advances and repayments on account of local work, with the balances in the Exchequer, on the 31st day of March 1856. As a principle of logic as well as an explanation to Parliament and to the world of that transaction, I think there is no one taking up that account that would not be led astray by it.

187. Mr. *Williams.*] Is it your Lordship's opinion that a Treasury Minute is a sufficient authority for the application of this 213,000*l.* of public money for the redemption of those pensions, and that it should not be requisite to go to Parliament?—That raises the whole question upon which I have hitherto been examined. Whether it is legal or not I have declined giving an opinion; with respect to the prudence of the act, I have expressed an opinion that it is not the right way of doing it.

188. Mr. *Henley.*] That account does not represent the state of the case?—I have no doubt that it represents the true state of the case as to certain facts it contains. For instance, this sum has been paid undoubtedly, but not out of the Exchequer; it is not an issue in the terms in which a common observer, or probably many of the honourable gentlemen now around this table, whose pursuits have led them to consider the value of Parliamentary words, would have understood, except as expressing that it was an issue out of the Exchequer.

189. The balances must have been made up in some other way, assuming they are correct?—Yes.

190. Mr. *Bowyer.*] I infer that at present there is nothing to prevent the payments out of the gross revenue from exceeding the votes of the House of Commons?—I have no check at the Exchequer, because Parliament has only given me a check upon Exchequer payments; these are not Exchequer payments, but the Committee would be in error if they supposed that the constitution and the administrative functions of this country, do not provide some check against any illegal issue of other kinds; for instance, there is the ordinary control of the Treasury over the revenue.

191. I mean as to the amount. The House of Commons votes a certain sum for the collection of the revenue. What is there to prevent that amount being exceeded by the payments out of the gross revenue?—The reason appears to me to be this. The payments out of gross revenue, are not now as they formerly were, final and conclusive. They have the cheque in the first instance of the vote of Parliament; they are made out of gross revenue, it is true, without my knowing anything about it; but they are subject to be repaid by the circuitous fashion which I have already described to the Committee out of a vote of Parliament, therefore the vote of Parliament cannot be exceeded; there is that security. I presume the audit affords some additional security likewise.

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192. At that time, when the operation reaches the Exchequer, the money is gone?—It is already advanced.

193. Then if the money so advanced exceeds the vote of the House of Commons, you cannot get it back?—That would be for the Treasury and the Revenue departments to deal with.

194. Then there is no check?—I presume that there is some activity in the Treasury to see that such an occurrence does not take place, but there is a check that did not previously exist, by reason of Mr. Gladstone's change, because there is a limitation after all that will be practically applied by a vote of Parliament.

195. Is it a sufficient check; if that sum of money paid out of the gross revenue exceeds the vote, it would make no doubt an irregularity in the accounts of the Exchequer when the accounts were completed, but still the money would be gone?—There is no check at the Exchequer upon anything that does not come into the Exchequer.

196. Mr. *Wilson.*] There is the same check with regard to the repayment of those monies that there is with regard to the payment of the whole revenue?—Yes.

197. And if payments were made beyond that, the receivers would be liable to account with their securities for the payment of the money that had been received; it would be a deficiency in the payments into the Exchequer of the receipts which they had received on account of the department?—They would have to account for everything that they paid out, and they cannot pay without authority; they cannot pay at Liverpool without authority proceeding from London, and the Commissioners in London are acting under the immediate control of the Treasury; therefore, unless the Treasury were to abandon its duty by directing or authorising payments at Liverpool above the amount that was sanctioned by the estimate, unquestionably there would be a default somewhere; and for that, I think, the Treasury, in that case, would be responsible, and the department would be responsible if they had no Treasury authority.

198. *Chairman.*] But if, with the sanction of the Customs, their officers advance in excess of the vote, Parliament would be perfectly unaware of that fact?—I do not see how it would come to the knowledge of Parliament; but I presume that no payment would be made by the officers except from authority that was, practically speaking, known to the Treasury, and communicated to the Treasury, based upon their warrants.

199. Sir *J. Graham.*] It resolves itself at last into unlimited confidence in the Treasury?—As far as that goes, I have told the Committee that the Exchequer furnishes no distinct check so long as these payments are made out of gross revenue. If the principle of gross and net were capable of being realised, if I had to issue the exact amount of money out of the Parliamentary vote to be applied in a particular place, or generally to the Customs for purposes authorised, you would then have a check; but the power of issuing out of gross revenue at the outports may unquestionably lead to an excess of issue which the Exchequer cannot check, and then the Parliamentary vote might be in a state of deficiency, and there would be an undue payment.

200. And Parliament need not be cognisant of that fact?—They would still see upon the Finance Accounts the payments out of gross revenue; that might lead them to it; you have the costs of collection given in the Finance Accounts.

201. And that cognisance would only arise when the Finance Accounts were presented?—Yes.

202. Mr. *Wilson.*] Suppose the revenue department were to pay more than they were authorised to pay by Parliament, and without the authority of the Treasury, would there not be a deficiency in their receipts and in their payments into the Exchequer, for which they must account?—Yes, but of that deficiency the Comptroller-general knows nothing upon earth; he knows nothing of the amount which must be paid in to him; he only takes that which, under the Treasury authority, is directed to be paid. Such is the law.

203. It is not contended that the Exchequer Act throws upon the Comptroller of the Exchequer any responsibility with regard to the collection of the revenue, but only to receive such payments as come from the collectors of revenue, and to be responsible for that?—Clearly; you have brought it under the responsibility of the issues; now if an issue took place to pay the expenses of the revenue, and there was no power of extending beyond that issue, there you would have the responsibility of the Exchequer introduced as a check; but inasmuch

inasmuch as those payments take place necessarily, I believe, out of gross revenue before the money reaches the Exchequer, there is no check whatever interposed to such payments made in anticipation of the Exchequer credit.

204. Suppose that every shilling of the revenue were paid into the Exchequer absolutely now, and suppose that every farthing of the expense of collection under the Vote of Parliament were made a direct issue out of the Exchequer, and suppose in that case the cost of collection was larger than the amount voted by Parliament, and the revenue departments used part of the gross revenue for the payment of that cost of collection, would the Comptroller of the Exchequer have any check whatever over that payment?—No, but there would be a wrong done; there would be a misdemeanor, for which the parties would deserve indictment, and the Government, if it sanctioned such a proceeding, would deserve impeachment.

205. Would it not be precisely the same if that mal-administration of receipts of Customs took place at the present moment, as it would be under the circumstances to which I have adverted?—The hypothetical case put is a supposed misfeasance on the part of the Government. As long as the payment is out of gross revenue, undoubtedly such a misfeasance might occur; I am sure that it never will occur. I do not anticipate that it will, but I am asked upon hypothetical cases. On the contrary, I may be allowed to say that I believe, under the new system of vote, a Parliamentary vote for the collection of the revenue not only has never been exceeded, but the expense of collecting the revenue has been more economical than the vote, and the balance between the one and the other has been paid back to the public credit.

206. Mr. *Cardwell.*] The assurance that the Treasury will spend only what they are authorised by Parliament to expend, is just as good as the assurance that they will pay into the Exchequer all the money that they receive?—Precisely.

207. Mr. *Bowyer.*] The constitutional function of the Exchequer is to be a check upon the Treasury; in the case of payments out of gross revenue, that constitutional check does not exist?—The constitutional check is to be responsible for monies paid into the Exchequer; that constitutional check was created, does exist, and, as far as I can do it, it is rigidly enforced; but with respect to payments out of gross revenue, there is no such check at all, the law not applying to that case.

208. Would not the check be more complete if the Exchequer had some notice of the amount of the gross receipts?—I think if you call upon the Exchequer to discharge functions that do not belong to it they will be very ill performed; the function of the Exchequer is your function; I am a public servant, responsible to the House of Commons, and I am responsible for the money that is placed to my credit to see that it is issued according to the Act, and for purposes only authorised by Parliament. This is strictly done. But if you call upon me to say whether a collector at Liverpool has collected within a million of what he ought to have collected or remitted, I have no power of controlling him. The law gives me no such authority.

209. Mr. *J. M'Gregor.*] It is not possible to audit the receipt and issue of the whole public revenue by means of the information possessed by the Comptroller-general of the Exchequer?—It is not; his functions are confined to Exchequer payments, and anything which is paid previously to the Exchequer payment does not come within his cognisance. It is perfectly possible to audit every Exchequer receipt and issue.

210. Sir *H. Willoughby.*] Are you aware that the Finance Accounts, from the delay in printing, do not get into the hands of Members till about the beginning of August?—I think that is very possible; I see that these of the last year which I hold in my hand were not ordered to be printed till the 6th of July. The Journals of the House will tell you when you got possession of them, but when you did they were utterly worthless for the proceedings of the year.

Veneris, 30° *die Maii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. J. M'Gregor.
Mr. G. A. Hamilton.	Mr. Wilson.
Sir James Graham.	Mr. Henley.
Mr. Chancellor of the Exchequer.	Mr. Williams.
Mr. Peacocke.	Mr. Bowyer.
Mr. Hankey.	Mr. Cardwell.
Sir Henry Willoughby.	

THE RIGHT HON. SIR F. T. BARING, BART., IN THE CHAIR.

The Right Honourable the Lord *Monteagle* of *Brandon*; further Examined.

The Right Hon. the Lord *Monteagle* of *Brandon*.

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211. *Chairman.*] HAS your Lordship anything to add to your evidence on the last sitting of the Committee?—There are three points upon which I think further explanation may be advantageous; I was unable to give it at the time that the questions were asked. The first point is this; I was asked in relation to Mr. Gladstone's Act of 1854, passed to settle the charges upon the Consolidated Fund, whether, at the time of introducing that measure, there had not been a distinct intimation given with respect to there being pensions then outstanding, which it might be expedient afterwards to buy up. My impression was, that such intimation was given as was suggested in the question put by the honourable Secretary to the Treasury; I have ascertained since that such impression was correct, because in the progress of the Bill it was stated that a great variety of other charges, including numerous pensions charged by Royal Warrant or Act of Parliament rested upon those revenues. The Chancellor of the Exchequer is reported to have added "Of those pensions, I shall, I hope, chiefly dispose by the close of the month, by paying them off; but till that is done it will be necessary to make provision for their being discharged in a proper manner; there is no reason to make them subject to annual votes; they belong to that class of charges which ought at once to be placed on the Consolidated Fund." Therefore at that time Parliament were made aware of the existence of those pensions, and of its being the intention of Government on the 2d of February 1854 to purchase them. The mode of purchase is not referred to in the statement.

212. Sir *J. Graham.*] Who made that speech?—The late Chancellor of the Exchequer, Mr. Gladstone, is reported to have done so, and therefore by that speech there was an intimation given of the existence of those pensions, and of a desire to pay them off, but the mode in which they were to be purchased is not stated, or even hinted at.

213. Does that apply to the purchase of 54,000*l.*?—It states in general terms pensions chargeable upon the gross revenue; it does not go into details upon the subject; but I presume it to apply in its most general sense to all existing pensions charged on the gross revenue, as the policy of the measure is defended upon general reasoning that would be applicable to all; but no reference is made to the mode of purchase, whether through the Government or through Parliament.

214. Do those words in your opinion cover both transactions, both the purchase before the Act of 1854 and the purchase since the Act of 1854, the last particularly, of 213,000*l.*?—I think it must have referred to all the pensions which were outstanding on the introduction of the Bill, and those that had been lately purchased were then outstanding as well as the other, but I have no more grounds for an opinion than those which I have already stated, but the Committee will see that there is no reference to the mode or manner of making the purchase.

215. Mr.

215. Mr. *Wilson*.] You have read an extract from a speech of Mr. Gladstone's of a particular date; but in his speech on the 2d of June upon "Public Revenue and Consolidated Fund Charges Bill," Mr. Gladstone made use of these expressions: "One small class of charges at present defrayed out of the revenue before it reached the Exchequer, was not comprised in Schedule (A.)." (Schedule (A.) being the Schedule which transferred from the gross revenue to the Consolidated Fund.) "And the Government proposed to leave it in its present condition, and for an obvious reason. The class to which he alluded consisted of a very limited number of pensions, which under various authorities were paid to the representatives of various families, who inherited them from times comparatively remote. With respect to these pensions, it appeared clear; at least this had been the view taken by Her Majesty's Government, and he thought it would be approved by the House, that the best course would be to buy them up and so dispose of them. He expected that, if judiciously effected, this operation would be rather a profitable arrangement to the public than otherwise, and it would rid them of an anomaly attended with some inconvenience. A certain portion of these pensions had been already bought up; in point of fact he might say that, substantially, the whole matter was concluded so far as regarded the most important pensions; but from one cause or another, the arrangement in several cases was not yet ready to take effect. Until it did take effect, that was provisionally, he proposed to leave these pensions precisely as they were at present, inasmuch as the Government did not look upon them as permanent charges, and it was not worth while to enter upon new arrangements respecting them." You would take that as an intimation that Mr. Gladstone intended to leave them exactly as they were, and as they had formerly been dealt with?—I stated in the previous evidence that the first speech which Mr. Gladstone made seems to me in perfect conformity to the second. He states in both instances that those were charges that it was expedient for the public interest to buy up; in that opinion I concur. He states that they were not provided for under Schedule (A.) or Schedule (B.), but that they were to continue as they had been, in expectation of a future profitable and advantageous purchase of them. The two things agree, and the second speech in June leads to a conclusion entirely in conformity with the first on the 2d February, in which I have said that I entirely concur.

216. You were asked a question the other day as to whether the passing of the Act of 1854 made any difference with regard to the transactions of the present year, placing them in a different category from those which took place in 1853, for the purchase of Earl Cowper's pension in 1853; the conditions upon which that Act was passed would show that it was not contemplated that there should be any distinction?—It shows that it was intended, and rightly, to buy up those pensions; but with respect to the questions that I was asked, while I declined altogether to express any opinion as to the legality of the mode, I stated, and state now, that the mode of extinguishing those pensions is not in the slightest degree touched by what occurred in discussion or enactment. It was equally consistent with Mr. Gladstone's intention that those pensions should be bought up out of gross revenue by the Treasury as has been done by vote of the Commons, or by the sanction of Parliament. Each of these alternatives is left open as it stood before Mr. Gladstone made his statement.

217. Has your Lordship received the Return to your own order of the House of Lords with regard to those pensions?—I have received it; it was delivered this morning.

218. Have you perused the Minute of the 13th of May 1853, under which those pensions, both of 1853 and of 1856, have been purchased?—Yes, I have.

219. Have you seen that by the Minute of 1853 the pensions purchased in the present year were part of the pensions which were contemplated to be purchased in 1853, according to the arrangement to which Mr. Gladstone adverted in his speech in 1854?—Yes; but the purchase of the 5th of April 1853 was chargeable on the hereditary revenues of the Crown in South Wales, and it is to be paid from the capital of the land revenue. Now, if I remember the land revenue laws, there is a statutable power of paying for a charge of this description out of that capital fund; therefore, if I am right, comparing the purchase of 1853 with that of 1856, there is a statutable authority to pay the one, but there is clearly no statutable authority to pay the other. One is paid out of gross income, and the other out of capital.

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220. Will your Lordship advert to the fact, that you are now dealing with land revenue pension; but there was an Excise pension at the same time, for which 43,000 *l.* was given, which had no reference whatever to the Land Revenue Act?—I have dealt with the one to which you called my attention.

221. Sir *H. Willoughby.*] Have you ever read those papers?—I have read them, but not with so much attention as I should wish. I have spoken of the land revenues out of which a capital fund exists produced by sales, and which by statute is made applicable legally to the purchase of a charge of this kind.

222. Mr. *Wilson.*] Will your Lordship be good enough to refer to the one out of Inland Revenue?—The Minute states, "that the commutation of Earl Cowper's pension upon the land revenue, recently sanctioned, is upon terms more favourable to the public, by the amount of several years' purchase, than that effected in Lord Melbourne's case in 1826, the prices of the public funds being duly considered, and therefore my Lords consider it would be advisable to conclude the purchase." In this case it is precisely analogous to the purchase of Lord Melbourne's pension.

223. And exactly the same as the pensions purchased in the present year?—Yes.

224. And you see by the preceding part of the same Minute, that the pensions purchased in the present year were included in the contemplated arrangement under this Minute?—No doubt they were in contemplation at the time that Mr. Gladstone made his speech; but there is nothing said or inferred in Mr. Gladstone's speech of the mode in which the purchase was to be made.

225. In pursuance of the purchase of this pension upon the Inland Revenue, in 1853, analogous exactly to the pensions of the present year, have you seen, in the Finance Account of the year ending the 5th of January 1854, that the purchase of Earl Cowper's pension for 43,000 *l.* is for the first time given to the public in the shape of an account?—Yes, it is so.

226. Will you refer to Question 142 of the minutes of the former day's evidence?—I was asked, "With regard to the two pensions which have been the subject of discussion, they have been redeemed in the present year, and the only distinction between them and the pension of 1826, and the pension of 1853 is, that the Treasury, instead of keeping the matter entirely from the cognizance of Parliament till the annual finance accounts have been published, and in no other form, have taken the earliest opportunity in the present instance of presenting them in the balance sheet?" To which I replied, "That is the only distinction that I see, but I should be far indeed from stating that the financial practices of 1825, and the precedents at that time, were to form a guide, when in many instances they are only useful to deter with respect to the proceedings of the present day. In the year 1826, as the Right honourable Baronet opposite, who framed the Admiralty Estimates in 1831, well knows, the payments out of gross revenue, for instance, paying between 700,000 *l.* and 800,000 *l.* for the building of the Post-Office in London, and entering into a contract at Liverpool for the Liverpool Buildings, without the knowledge of Parliament, out of gross revenue, were the ordinary transactions of those days."

227. You say, "That is the only distinction that I see," which is quite correct. Then will you refer to Question 175?—"Supposing that the finance accounts were now made up to the 5th of January, as formerly, that transaction would not have appeared in the finance accounts till the next year, and would not have been before Parliament till about Easter in 1857? It would have been before Parliament in the balance sheet, if moved for, in the same manner as it is now; therefore, as far as that is concerned, it would be the same, but it would not have been included in the finance accounts till a later period than it now is."

228. Then your Lordship must see that there is a discrepancy in those two answers. In the first instance, it is stated, which was quite true, that the only distinction was, that in the present case the present purchases have been put in the finance accounts of the quarter furnished to Parliament at the earliest period; and in the second instance, we should infer that had the former precedent been followed, Parliament would have had an intimation of the purchase in the balance sheet?—What I meant by that, and what alone I could have meant, was

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was that there was the same opportunity of communicating through the balance sheet in the one instance as in the other, if it had been the desire of the Government at the time to have communicated through the balance sheet the purchase of that pension. Antecedently to the production of the financial accounts there was the same opportunity of doing it in the one case as in the other; it was not so done as a matter of fact.

229. You do not mean to infer, as is inferred by some other questions, that there is any doubt at all about the fact that the former purchases were not included in the balance sheets, but were only included in the finance accounts of the year?—No, certainly not; I never meant to express any doubt upon that subject whatever. I was asked, with reference to the course taken by Parliament, at least since the year 1830, of adding to the Vote of Parliament as much as could be voted, being susceptible of previous estimate, and diminishing the unappropriated sums. That had been the principle, and I stated, with respect to the civil contingencies and extraordinary expenses, how much they had been formerly, and how they were now reduced. I should wish, with the permission of the Committee, just to put in an account, which will show this fact in a very striking manner. Comparing 1827, 1828, and 1829 with 1850, 1851, and 1852, it will appear that the Army Extraordinaries have ceased since the year 1832. The Ordnance Extraordinaries have ceased altogether, and the Civil Contingencies have been diminished from what was an average of 230,000 *l.* a year to a sum of 100,000 *l.* a year. The following account will make what is now stated clear.

[*The Account was delivered in, and is as follows:*]

	Civil Contingencies.	Army Extraordinaries.	Ordnance Extraordinaries.
	£.	£.	£.
1827	290,000	850,000	106,436
1828	240,000	810,000	78,849
1829	160,000	700,000	430,715
1850	100,000	—	—
1851	100,000	—	—
1852	100,000	—	—

I have been asked a good deal about what took place in the Lords in relation to the amendment in the second Bill of 1854, that is, to point out the difference between the first and second Bills, as to the charges for "pensions, superannuation allowances, &c.," chargeable on gross revenue. I have since ascertained, by a document which is on the table of the House of Commons, as well as in the House of Lords, that the Committee to which the Bill was referred reported distinctly by a resolution upon the motion of Lord Overstone, carried unanimously, that they were unable to vote those pensions and superannuations, because they were not in possession of the Estimates and the list of the allowances in question; therefore the vote was objected to, upon the ground that such information had not been furnished; therefore, with respect to the future, I thought it very material that it should be noticed that the objection was not an objection on principle to bring these in their respective classes; but it was thought an objection, in principle, to vote any large sum without knowing what it was. With the permission of the Committee, I will hand in a copy of the Report made by the Select Committee, and laid on the table of both Houses.

[*The same was delivered in, and is as follows:*]

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Moved by Lord *Overstone*, 22° July 1854.

PRESENT:

Lord Privy Seal.	Viscount Canning.	Lord Monteagle.
Earl of Shaftesbury.	Lord Lyttleton.	Lord Overstone.
Earl Granville.	Lord Churchill.	Lord St. Leonards.
Viscount Hutchinson.	Lord Wrottesley.	

It is moved (by Lord Overstone), to resolve that the Committee are unable to come to any conclusion as to the propriety of transferring all the pensions and superannuations of the Customs, Inland Revenue, and Post-office to the Annual Vote, without being previously furnished with the means of judging of the special circumstances by which some of those cases are affected.

230. Mr. *Wilson.*] Did not the same objection apply to the cost of management and other things of which you have no estimates; the estimates were not then ready; they were in a state of preparation; those estimates referred to the cost of collection and management, as well as to the superannuations?—No; pardon me, this had no reference whatever to the question of the cost of collection; the resolution which was put, and carried unanimously, with three cabinet ministers in the room, was, that the House of Lords could not vote that sum, because they had not the particulars before them; we did not know whether the proposal of the Government was right or wrong, and therefore it was postponed.

231. Will you allow me to call your attention to the fact, that it was not voting a sum at all, but simply asserting the principle that superannuations and pensions, the same as the cost of collection, should be annually voted by Parliament, and not paid out of the gross revenue?—But that involved the whole question of knowing what those pension and superannuation allowances were, and we asked for a list to know what they were before we dealt with them, and that list was not furnished. I was subsequently asked with respect to the time of furnishing the finance accounts, under the new system of the Act of 1854, which postponed their preparation from January to April, and I stated that I thought there was a great public inconvenience by the postponement of the time. I was then asked were not the finance accounts of the last year ordered to be printed on the 6th of July, which was the term stated; that is true; they were ordered to be printed on the 6th of July, but I was not then aware of what I have since ascertained, that though ordered to be printed in July, they were not in the hands of Members till the 6th of October, which was after the prorogation of Parliament, and at a period of time when those accounts were absolutely worthless for practical purposes.

232. Mr. *Chancellor of the Exchequer.*] Is it the fact that the finance accounts are absolutely worthless if not presented before the end of the Session?—I think very nearly so for practical purposes, because if the budget of the current year is passed, and the financial business is closed, the accounts are no longer useful for the Parliamentary business of that year, and are only useful for the next year collaterally or by inference; they do not give the same information that accounts made up to January would give in the financial discussions of the year.

233. Are the finance accounts frequently used in discussions upon the budget?—I can hardly conceive any Member of Parliament being able, with advantage, to discuss the financial propositions of the year without having the fullest information of what took place in the preceding year; and I think that that is as much a convenience to those who have to propose and defend the budget as to those who may have occasion to observe upon it The fullest communication of all the facts saves time, by preventing mistakes and misunderstandings.

234. Mr. *Wilson.*] Are you aware that when this alteration was made in the date of the finance accounts, for the obvious convenience of making the year of the votes and the finance agree, there was simultaneously a paper, for the first time, prepared for Parliament, called a statistical statement, which paper contains everything that is really essential with regard to the finance of the past year up to the 5th of January; that is, it contains the net amount of income and expenditure, and all the leading features which the old finance accounts did contain, and is furnished to Parliament as early in the Session as possible,

possible, in order that Members may have the information to which you advert before the financial statement comes on?—I perceive no very close analogy or still less any identity between the two papers referred to. Very few papers have been more useful and important than the account now published called the statistical account, but that is, practically speaking, only bringing into a more ascertained and fixed shape a very valuable account, which had been previously moved for annually by Mr. Cardwell, and afterwards an account moved for by another honourable gentleman; but neither of those will furnish all the information that the finance accounts will furnish. Mr. Cardwell's account, for instance, is an admirable *resumé*, giving certain particulars; so is the statistical account, but neither give the detailed information contained in the financial accounts.

235. You are aware that the year to which you now advert was the first year in which the accounts had been made up in that form?—Yes; the change was consequent on the Act of 1854.

236. Therefore is it not reasonable to think that when a great change of accounts has taken place, great delays may have taken place last year which would not take place in future, when the accounts are made up usually to that date?—That may be the case; my observation is not to be understood as finding fault with any one, but showing that there has been a variation in the system, from which I think very great inconvenience has arisen. I am sure that it was a natural thought to make the financial accounts run consistently to the same date with the financial year, but you have purchased that advantage too dearly. This subject was necessarily considered by Lord Althorp at the time he altered the commencement of the financial year from January to April, and advisedly declined altering the term of the financial accounts; he felt that it would be inconvenient to keep them so long out of the hands of Members; I think so still.

237. Suppose we were to say that there would be no difficulty in the present and all future years in those accounts being laid before Parliament in the last week of May, or in the first week of June, without any delay, would you think then that your observation was removed or modified?—I should hold to my first opinion, and for the same reason I have already given; I will tell the Committee why; the finance accounts are made by the Treasury, calling upon the various offices concerned to furnish the accounts relating to their own departments. For example, the old system was to call upon the Exchequer to furnish five or six separate accounts, showing the receipts into the Exchequer. Those were rendered to the Treasury, signed by the Comptroller-general, and were printed as such. Now, in order, I have no doubt, to facilitate the production of those new accounts as much as possible, the accounts that are now rendered as from the Exchequer, are no accounts from the Exchequer at all. Under the new system that account is made up, though it purports to be an Exchequer account, without any reference to the department to which it relates; it is therefore incorrect in many respects in its figures, as compared with the accounts of the department itself; it is further incorrect in relation to the references to the statutes cited as authorities for various payments. I attribute this to my belief that under the old system this duty being done with somewhat more of time and care, was more likely to be done accurately, and that to avoid mistakes of the press, which in printing long accounts are not unfrequent, the proofs were sent to the various departments to which they related for their correction. I will show the Committee one sheet which is put in, which, in consequence of being prepared in a more hasty manner, is full of mistakes; but the mistakes of the account itself are more serious than the mistakes which are therein contained. I allude especially to the altered classification or heading of the accounts, which clash with the classification prescribed at the very same time to me, by the Treasury. Both accounts are made unintelligible, because conflicting.

238. In the statistical account, to which reference has been made, would either of the transactions into which the Committee are more particularly inquiring, namely, the purchase for 45,000 *l.* in 1853, and 213,000 *l.* in the present year out of gross revenue, appear?—I do not think either of them would appear in the way in which those statistical tables are now made up, and I think if any attempt were made to give you as much detail on the statistical tables as would be required, the difficulty would be augmented a hundred-

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fold, inasmuch as, if I remember right, you give seven years' financial tables in the one return.

239. What is your opinion, upon the whole, of the effect of the change of the financial year from January to April; was it salutary or otherwise?—The Committee are aware that that change was made during the time that I was connected in a subordinate position with the Government acting as Financial Secretary to the Treasury Board of Lords Grey and Althorp. It was made upon reflection; it was made in reference to the highest of all Parliamentary principles, namely, that of maintaining a strict appropriation of the public money. Lord Spencer explained and defended it in Parliament on the ground that it was to put an end, as far as was practicable, to the then practice of frequently expending money before it was voted; therefore Lord Althorp proposed to change the financial year from January to the month of April, in order to have the means to take a previous and early vote, and to supply the means of paying legally out of the Exchequer for the public service; and in those respects the effect has been good and satisfactory.

240. Then what are the countervailing evils, if any, beyond the difficulty with respect to the finance accounts?—The postponement may sometimes encourage the public officers, charged with the public revenue, to postpone the financial services of the year in proportion as you postpone the closing of the financial year; but that is not very likely to happen, as it is for the convenience of the Government itself in almost every instance to get the financial business closed as soon as possible. I see no objection to that change at all, except this question of delaying the finance accounts, which formed no part of the original plan, but was a change added three or four years ago.

241. The change having been effected for some time, and having been effected with considerable difficulty, a supplemental vote for three months having been necessary, you would not advise a change of that arrangement now, provided only greater diligence were used in furnishing the finance accounts at an earlier period of the session?—What I should simply recommend for the public convenience would be, that the financial accounts should be rendered up to January, in place of being rendered to the month of April. You would have then the certainty that the finance accounts were in the hands of Members as soon after Parliament approached the financial discussion as possible.

242. Then the account rendered would not tally with the financial year?—No; neither did it for upwards of 20 years antecedent to the Act of 1854. I never knew any inconvenience result from that practice during the whole time I was at the Treasury, after the change made by Lord Spencer, during which period the financial year began in the month of April, but the financial account began in January.

243. When was the change made in the finance accounts to enable them to correspond with the financial year?—It was made by the Act of 1854. It was well intended, but it has proved a mistake.

244. And you think there is evil in that?—I do; for the reasons which I have stated.

245. You are not cognisant of any disadvantage or evil arising from the antecedent practice when the accounts and the financial year did not tally?—There might have been perhaps a few more desultory motions made for papers to give information during the current quarter. I cannot speak with any certainty upon it, but I never knew any real inconvenience result from the practice.

246. If the finance accounts for the antecedent year are not in the hands of Members until some six months after the close of the financial year, there can be no motion for papers during the Session immediately following?—I am referring now to the old state of the accounts; the old accounts closed to January. Supposing an interval of three months from January to April, before the great financial business of the year was brought under discussion, there would be, as far as the financial accounts were concerned one quarter, for which information would not be given on the face of those accounts; therefore if there was a motion about the timber trade, or the wine duties, or any other matter of that description likely to be made a subject of special motion, it is probable that there would be a motion made merely for the accounts as far as they could be brought up for the past quarter; that is, to continue that special

special account on the subject pending for debate from the January to which the financial accounts were made up and furnished up to the latest period.

247. You were in the confidence, at that time, of Lord Althorp?—Yes.

248. And you were consulted by him when the change in the financial year was made?—He conversed with me on these subjects with entire confidence.

249. Do you wish the Committee distinctly to understand that this question of not making the finance accounts correspond with the change of the financial year was contemplated by you and him, and that you preferred not changing the financial accounts with the change of the financial year?—It was much more the decision of Lord Althorp than my decision; but he spoke to me with entire confidence upon all these matters. At this distance of time I cannot be quite sure that we did discuss this exact question together; I believe we did; but I never heard a suggested doubt about this question; as far as my memory now serves me; that change was made in the year 1832, and it is difficult to say what arose in discussion nearly a quarter of a century back.

250. And it continued the practice for about 20 years?—Yes; from 1832 up to 1853.

251. When the change was first proposed, did the objection occur to you, and did you state it?—It did; and I think I ventured to state it in reference to the Act of 1854, in that House of Parliament to which I belong.

252. You stated it in your place in Parliament?—I am pretty sure I did, and I think I communicated it to friends in this House of Parliament that I thought it was well-intentioned but it was a change very clearly not for the better.

253. *Chairman.*] Do not you think that the Bill which places upon votes in Parliament the expenditure for the service of the revenue departments, makes a considerable alteration in the state of the question?—I am not quite sure that it does, because I have considered that the payment of the revenue departments, in the manner that I described to you, is a matter more of form than of substance. I do not think it a matter of practical importance as it stands.

254. The alteration with regard to the general revenue was made upon the grounds that the money should be voted by Parliament before the expense was incurred?—Yes.

255. Till lately the expenditure was incurred upon the gross revenue, without any vote from Parliament?—Yes.

256. When that system was altered and the expenditure voted, might not the same objection be made to the expenditure being incurred between January and April without a vote of Parliament, as was made to the old system with regard to other votes?—Certainly.

257. Therefore is not that a reason to a certain extent for the alteration?—It is an additional motive, no doubt, acting in the same direction.

258. The Audit Board audit the accounts of the revenue departments; would not the Audit Board have to compare the expenditure with the Votes of Parliament?—I presume so, but I am not conversant with the mode of proceeding in that department; I know that I am bound to send the quarterly accounts of the Exchequer to the auditors; and I have lately felt it my duty to add one particular to those accounts which had not been contained in previous accounts, namely, the dates, not only of the Exchequer issues, but of the money drawn, that the attention of the auditors may be called to the question, that the Paymaster's issues were not only the issues that might be made or warranted by law at any future time after such issues had taken place, but whether the issues were warranted by law at the time they were made. What returns take place between the revenue department and the auditors I am not able to state with any certainty, but I should think, comparing the accounts delivered to Parliament, namely, the financial accounts, with the other accounts, namely, the statutable accounts, rendered by the Exchequer, which form a check upon them, is, both in Parliament and to the auditors, a very material subject of investigation; for instance, with regard to the last financial accounts which we have, no effective comparison can be made between the financial accounts which are sent in, purporting to state the payments into the Exchequer, and my account which is laid before Parliament, stating the Exchequer payments likewise; the two will not agree, and that I have attributed to the altered circumstance of not deriving the information which was accustomed to be rendered from the departments by the Treasury.

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259. Taking the Excise accounts for example, if the auditors had to compare at all the expense incurred with the Votes of Parliament, it would be necessary for the auditors that the accounts of the Excise should be made to tally with the Votes of Parliament?—I am not conversant with the practice of the auditors, but I conceive it would be necessary to examine from my account of receipt, or the Excise account of payment, to judge how the expenditure tallied with the Votes of Parliament; first to ascertain the expenditure, and then to ascertain the legality of that expenditure.

260. The accounts would be obliged to be made up to the 31st March?—I think, without referring to any coincidence of the vote of Parliament, as between the Excise and the auditors, that for the whole of their duty as auditors an early communication of the accounts to be audited is an essential principle of a successful audit.

261. I am speaking with regard to when the accounts must be made up for the auditors; previously to this alteration the accounts were made up and audited by the usual year, but owing to the change, is not it necessary, if there is any comparison between the accounts and the votes, that the accounts should be made up for the audit for the financial year?—I should be sorry, without reference to the Acts of Parliament, to speak to the laws which regulate the Audit-office, but my own impression, if the Committee will receive it in that uncertain way is, that the auditors receive their returns quarterly, and do not wait for the entire close of the year for the commencement of the year's business. I should think such a delay would be so inconvenient to all parties, that they probably take a quarterly audit; but the auditors are the proper parties to answer these questions.

262. It has been supposed that the year's accounts, which are the finance accounts, are a check upon the expenditure; those accounts are furnished, are they not, by the department itself, and are not audited accounts?—My account is sent to the Audit-office every quarter, and to Parliament once a year, therefore the one forms a species of check upon the other, but both in my department are made by myself; so that I presume, with respect to the revenue departments, the accounts are rendered by the revenue department, and the audit check is applied to the accounts so rendered; but of this I have no personal knowledge.

263. The finance accounts are not furnished after an independent examination and check, but they are the accounts of the department itself, are they not?—In my case they are, and I conceive it to be so generally.

264. Mr. *Chancellor of the Exchequer.*] The finance accounts contain a statement of the expenditure of the year, as well as of the revenue, do they not?—Yes, income and expenditure, in addition to much detailed information.

265. But they contain a complete account of the expenditure in particular, as well as the revenue?—Yes, with important appendices respecting both; accounts of the debt, and of trade and navigation, &c.

266. If the finance accounts are made for the year ending the 5th January, whereas the estimates are made for the year ending the 5th of April, it becomes impossible to compare the estimated expenditure of the year with the actual expenditure by comparing the estimates and the finance accounts, does not it?—The mode that was generally resorted to in the case, which was not as usual as it might be wished perhaps, of a vote upon the budget before the 5th of April, was to take an estimate for the quarter that was incomplete. You thus had the actual income and the expenditure for three quarters, which were fully complete. You made an estimate for the quarter then current, and upon that account, which was partly account and partly estimate, a statement was made, and made with a certainty and accuracy that has often surprised me.

267. That no doubt is an answer to the question with regard to the statement of the budget, but I am speaking of the estimates for the expenditure of the year; if any person wished to compare the army, navy, and civil service estimates for the year ending the 5th of April, with the year returned in the finance accounts, would he not, according to the old method, have found it impossible?—He would have found it difficult, though it was done, but having no finance accounts at all, subjects an inquirer to a greater difficulty. You have to compare correct information up to January, with no financial information for the year.

268. Is

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268. Is it not the fact that under the old mode of making out the finance accounts, it was impossible to institute a correct comparison between the estimated expenditure for the supply services and the actual expenditure as presented to Parliament in the financial accounts?—It was very possible to do it, and it was very regularly done from the year 1832 invariably up to the year 1854, during the whole of which time the finance accounts were made up to January, whilst the financial year closed 31 March.

269. If the expenditure was returned to Parliament for the year ending the 5th January, and if the estimates were presented to Parliament for the year ending the 5th of April, was it possible, when the expenditure had been incurred, to compare the actual expenditure with the estimated expenditure?—This was done partly from that which was known, and partly from that which was inferred; and if there was any error arising from reasoning from analogy as to one quarter, that was always set right, and was done so repeatedly by the Minister himself. At a subsequent period he would have to state I argued upon an estimate last quarter, amounting to so much, and I find that it was so much more or less; and an allowance was consequently made.

270. Under the old mode of making out the finance accounts, was it possible to institute a correct comparison between the estimated expenditure for the supply services, and the expenditure actually incurred, from documents presented to Parliament?—I have stated that you have an uncertainty, derived from reasoning from analogy and estimate, in place of reasoning from actual fact and account for the April quarter; but I am comparing the old system with a system which leaves you without any finance accounts at all, as in the last year when the finance accounts were delivered to Members long after the Prorogation.

271. In the form in which the finance accounts are now presented, namely, for the year ending the 5th of April, is it not possible to institute an accurate comparison between the estimated expenditure for the supply services, and the expenditure actually incurred when the finance accounts are presented to Parliament?—The finance accounts being presented after Parliament is prorogued, I cannot understand how such a comparison can be made of practical service, or what use the finance accounts are at all for Parliamentary current business.

272. Does not the form in which the finance accounts are now presented admit of an accurate comparison between the expenditure and the estimate being made, which was not possible before?—Supposing the finance accounts are delivered in time for the practical use of the Members, they undoubtedly admit of a closer comparison than was the case previously.

273. Do you not believe that that was the reason for making the change?—I am quite sure that it was; and I stated at first that I thought the motive was a very good one, but that the sacrifice was much greater than Parliament or the Government was aware of at the time of making this alteration.

274. Was not it necessary, in order to make the change, to issue one finance account for a quarter, in order to introduce the new system of finance account for the year ending the 5th of April?—It was.

275. That change having been made, and that inconvenient break having occurred, would you recommend now a return to the old practice of presenting the finance accounts for the year ending the 5th of January?—The difficulty of making a change in this respect is not very great, inasmuch as the accounts are made up quarterly in all the great departments; it is therefore easy to substitute one system for the other.

276. There would be no difficulty so far as the preparation of the accounts is concerned, but with regard to uniformity of series, would you advise that a change should be made back again?—So far as my own judgment goes, considering the financial accounts of great importance for the convenience of Members, and the information of the public, I think it is worth encountering that difficulty rather than having the financial accounts postponed to so late a period of the session, that they become useless. And again, I take the liberty of suggesting that the greater the effort of the Government to remedy that evil, by getting the accounts made up very hastily, and getting them printed at an earlier period, the greater is the risk of there being inaccuracies in those accounts, which inaccuracies may render them even worse than useless.

277. Sir *J. Graham.*] Parliament now meeting generally in February, would there be any practical evil in having nine months' accounts up to January as supplemental to the annual finance accounts made up to the close of the financial

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financial year?—None whatever, and I think it would be a very great improvement.

278. With our knowledge of the public departments, the accounts being made up quarterly, do you see any practical difficulty in making up nine months' account for the meeting of Parliament?—I think there would be no difficulty as far as the departments with which I am familiar are concerned.

279. And in following that up at the close of the financial year with the entire account?—Yes.

280. Mr. *Chancellor of the Exchequer.*] Which of those methods should you prefer, a preliminary nine months' account with a subsequent twelve months' account, or a return to the old practice?—I should prefer a return to the old practice as more simple and more intelligible, and as being tested by the experiment; that system was, perhaps, intelligible, simple, and clear to me, because I was secretary to the Treasury when Lord Althorp's change was made, and I was conversant with the proceedings for eight years after that period. I do not know how it might present itself to a party that had not perhaps a bias derived from former practice in favour of the one system.

281. Do you think that there is any weight in the objection that the Government furnish Parliament with no means of comparing the estimated expenditure with the expenditure incurred?—The question seems to be still whether the finance accounts are useful for the purpose of furnishing that information. If they are, it seems to me clear that they ought to be rendered at a time when they can be turned to account, and I fear that in adhering to the rule of making up the accounts to April, you never will get the finance accounts into the hands of Members in sufficient time, and they will be open to inconveniences and to a risk of mistakes and inaccuracies.

282. Sir *J. Graham.*] Do you not think that a nine months' account, made up to the 1st of January, would at the meeting of Parliament afford Members generally throughout the House great opportunity of canvassing the financial conduct of the Government, that opportunity being now wanting by the postponement of the account till after the budget is stated?—No doubt a nine months' account would be infinitely better than the present system. I am only a little doubtful whether I should not prefer a twelve months' account made up to January for my guidance than a nine months' account.

283. A nine months' account would furnish a great opportunity and ample knowledge for canvassing the proceedings of the Government, and the annual account as it now is would tally exactly with the account of the year?—Yes.

284. And the two documents would furnish everything necessary?—Yes.

285. Mr. *Henley.*] Have you any objection to an annual account made up to January and an annual account to April?—Except the expense of double printing, and that would not be very much, because the quarterly payments would be done at once by the omission of quarter No. 1, and the substitution of a new return as No. 4.

286. You have been asked with reference to uniformity of series, and the inconvenience of comparison being broken. That has been already effected; there is now no means of comparing the expenditure for the last 20 years with the expenditure of the last year or two?—There is none such, more particularly adverting to the fact that the heads of finance accounts, which were well considered before a Committee of the House of Commons long before, I believe, any Member now in this room was a Member of Parliament, were adopted on deliberation, and are now varied; those former accounts furnished you, till a late period, with the means of making a tolerably accurate comparison between one head of account and another; but since the last alteration was made, those heads of account themselves have been altered. For instance, if you look under the head of imprest monies under the new system, and compare it with imprest monies under the old system, you will find that they do not correspond; the information sought for most frequently, and which is the most useful, is relative information rather than positive; this is entirely wanting, as between this account of 1854-5 and the preceding account of 1853-4; the accounts have been altered without communication to the departments concerned, consequently the relative information to be derived from a comparison of the accounts is not given. I can give illustrations of this in reference to my own department; there are accounts furnished in the last finance accounts purporting to be of payments into the Exchequer. As I have told the Committee, they are accounts which I never made out, the usual form having been to call upon me to make them

them out, and that form having been abandoned, and the heads of account are so varied that I have the greatest possible difficulty in reconciling the one account with the other.

287. Sir *H. Willoughby.*] You were asked a question with regard to an annual account up to January; would not that involve the objection that you would be getting in a quarter belonging to another financial year?—That was precisely the inconvenience felt at the time that we made the change in 1832; but the object being to render the financial account to the latest time that it could be furnished, consistently with its being early enough for communication to Parliament, we could not escape from that difficulty. A mode of escaping the difficulty now suggested, is described in the questions put to me by the Right honourable Baronet opposite.

288. I put a question to you on the last occasion respecting the finance accounts; I asked you whether you were aware that the finance accounts, from delay in printing, do not get into the hands of Members till the beginning of August. You have since made the explanatory observation that you have ascertained that they were not delivered till the 6th of October, therefore those accounts took three months to print?—Yes, if they were delivered as soon as printed.

289. That being so, you have been asked the question whether, if the finance accounts were to be produced in Parliament in the month of June, they would be practically of any use in the House of Commons, assuming that they took three months to print?—Certainly not. According to the ordinary period of the sittings of Parliament they would be of no use comparatively. They would on this supposition be distributed in September.

290. Therefore any such amendment would be, practically, without value?—I think without any value. It would not remove my objection.

291. Mr. *Henley.*] With reference to a nine months' account, is it your opinion that the ordinary expenditure of each quarter is so accurately divided, quarter by quarter, that it would enable the House of Commons to form any just estimate of how far the expenses of the year corresponded with the estimate for the year?—I think that, generally speaking, there would be a power of comparison; but in all these matters, as I have already said, for the use of Parliament and of the public, information is more important relatively than positively; unless one supposes, which I have no reason to suppose, from any observation that I have made of the state of the public accounts, that something disingenuous and uncandid was done, in order to shove off the expenditure from one quarter to another; generally speaking, the comparison, year by year, would be fair, and would not lead parties astray. Unless some large financial alteration took place, the old accounts would be sufficient, unless we impute something uncandid to the Government; a large repayment of duty made unexpectedly, for instance; if you altered the duty on spirits, and there was an allowance for the stock on hand, there might be a difference between one quarter of one year and the corresponding quarter of another; but without the concealment of some such fact, you would receive the means and elements of judging rightly. I think you may fairly trust any Government that we are likely to have in rendering these accounts justly and fairly.

292. Do you think that in the case of expenditure upon the navy estimates, as to stores or buildings, it would be safe to estimate that, because the expenditure had been at a certain rate for nine months, it would necessarily go on at the same rate for the succeeding three months?—Clearly not. In dealing with a military department like the army or navy, I believe that every one would regret to find the next three months precisely measured by the nine months preceding. An estimate of this kind may, however, be below, as well as above the mark. For example, in the case of the navy establishment, on the cessation of a war, you have a vast amount of expense thrown upon the public, which a close observer, knowing the historical facts of the case, would make allowances for and would correct for the purposes of reasoning upon the figures laid officially before him.

293. With a nine months' estimate you would have to make those calculations and abatements, and go into various elements for the purpose of financial reasoning; would that be greater or less than dealing in the same way with a twelve months' account made up to January, which took in a quarter of another financial year?—I should prefer getting a twelve months' account, according to the old system, in order to secure getting the accounts in time.

294. You think, striking the balance, that the inconvenience would be less to

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persons wanting to make financial calculations in having twelve months' accounts than in having nine months' accounts?—Yes, I think so. By twelve months I understand twelve months that can be made up and printed, and be in the hands of Members in time to be useful for Parliamentary discussion.

295. To persons accustomed to make financial calculations, and to a certain degree conversant with the public expenditure, there would not perhaps be much difficulty in arriving at a tolerably accurate estimate upon either nine or 12 months, but in the case of parties who are not so fortunate or unfortunate, which do you believe would give the greater information to the bulk of the House?—My own impression is, that I could rather reason upon the perfect knowledge of what was done in the 12 months than on the inferred knowledge that would be derived from an accurate account for nine months, which I might consider in one sense as a constant quantity; nine months a certain quantity plus a variable quantity of a three months' estimate.

296. Mr. *Wilson.*] If you had the accounts made up to January you must either have that uncertain quantity, or a certain quantity not belonging to that year, but to the year preceding?—Yes; no doubt. I prefer the latter.

297. I understand the result of your answer is, that as as a matter of account you would prefer the financial accounts of the year to correspond with the estimates of the year, with the financial year itself?—As a matter of account I should prefer to have the two things coincident; it is absolutely right that you should commence your financial year in April, you could not otherwise be free from the necessity of applying money that had not been voted, therefore Lord Althorp was right in changing the year to April. But I think the inconvenience of changing the financial account to that period being coupled with the non-delivery of that account in time to make it useful, drives me back to prefer the principle adopted in 1832, and adhered to till the year 1854, and I therefore conclude that whilst it is best to take your financial year from April, it is also desirable to give your financial accounts from January to January.

298. As a matter of account you would prefer that the two should correspond, but, if I understand you, you think there is a sufficient object, as a matter of convenience for the House of Commons in its finance discussions, that it should have the finance accounts made up to January and not to April?—Yes.

299. Then it has been suggested that we might have a nine months' account made up to January; am I not right in saying that at the present moment, when Parliament meets, it has before it the accounts of the nine months which have expired of the financial year, so far as regards the income under each head of revenue, and so far as regards the income and expenditure in the balance sheet accompanying the quarterly statement published in the newspapers. It has also the trade accounts, showing the quantities of each article imported, and the amount of duty received upon each article; it has also the quantities of goods exported; it has also the whole of the shipping accounts, which are part of the annual finance column; it has also the account which was prepared by Mr. Cardwell in the first instance, showing the income and expenditure, the amount added to the revenue of the year, and substracted by taxes repealed, and it has also the various finance accounts, which are now published in the statistical statement; all those accounts applicable to nine months are already laid before Parliament within a week or two of the meeting of Parliament; do you not think that for the general purposes of debate, those numerous accounts, all relating to the accounts of the nine months expired of the financial year, would answer all the purposes of debate before the conclusion of the financial year?—That is a question which gentlemen who have to consider the House of Commons' financial debates, are better qualified to judge of than I am; they have only to take, for example, the two accounts of public income and public expenditure, and the income and expenditure of the Consolidated Fund, with all their appendices, from the financial accounts, showing in detail everything which is given in gross, and compare them with the statistical account, and with the account which we used to call Mr. Cardwell's account, and you will find that however valuable (and no one rates them higher than I do) the statistical account, and Mr. Cardwell's account, they do not furnish you with all the information that you have in the annual finance accounts.

300. Sir *J. Graham.*] To bring it to the test, the two transactions of these two purchases of annuities out of gross revenue would not appear?—They would not, and could not appear; one is a convenient abstract, giving you with great

great clearness, and with great facility for everybody, a kind of index to the finance accounts, but they are not the accounts themselves.

301. Mr. *Wilson*.] Is it not the case that those transactions to which the Right Honourable Baronet has alluded would not only not have appeared this year, but would not have appeared if the finance accounts had been brought up only to the 5th of January till the April of next year?—It depends upon the date at which the commutation was made.

302. The transactions took place in the first quarter of the present year, therefore, having taken place in the first quarter of the present year, those transactions would not have appeared till the finance accounts ending the 5th of January 1857, which would be presented to Parliament about Easter in that year?—Some of those transactions do not appear in the finance accounts at all; I do not know whether those would.

303. Will you refer to any one that does not appear in the finance accounts?—I will, but possibly I may suggest an explanation why it did not appear; Lord Cowper's pension was upon the Woods and Forests and Land Revenue; that I think does not appear at all in the financial accounts; my impression is that it was paid out of the capital of the Woods and Forests revenue. Now, what is given here is the income and expenditure of the Woods and Forests revenue, into which the purchase of these pensions would not enter. I believe there is a further account, which is the capital account, namely, an account showing the sums acquired by the sale of Woods and Forests property, and appropriated to investments for the benefit of the Woods and Forests revenue. It was on this supposition only that the purchase of Lord Cowper's pension was justifiable as made from the capital account. But it would not appear at all upon the face of the account; no income and expenditure account will show you, as far as I can understand it, the payments out of that capital account of the Woods and Forests, and it is correct that it should be so; and that explains another question that has been put, whether there was any Parliamentary sanction for it. If it was paid out of the capital account, there is an Act of Parliament sanction for making that payment.

304. The question that I asked was, seeing that these transactions took place in the first quarter of the present year, they could not have been before Parliament in the finance accounts, that is, in the only way in which they have ever been given to Parliament before, till Easter 1857?—If they took place after the 1st of January, of course they would enter only into the financial accounts ending the subsequent 1st of January, and therefore it would only be in the following Session that a payment subsequent to January would be communicated to Parliament. But the payment I allude to would never appear in the finance accounts at all, for the reason I have stated.

305. Therefore, with regard to that transaction, if the finance accounts are in the hands of Members within a fortnight from the present time, the effect will be, that that transaction will appear in the financial accounts of the year in the month of June 1856; whereas, by the old plan, it would have appeared in the financial accounts in April 1857?—No doubt it must be so, understanding the question now put to apply to the last purchase of 213,000 *l.*; because if the transaction took place at a period not included in the rendered account, of course it must be excluded from it.

306. Mr. *Henley*.] That 213,000 *l.* happening to come in the quarter between January and April was an accident?—Yes.

307. It would be arguing therefore from a particular instance to a general conclusion?—Precisely so.

308. Supposing these transactions to be spread over the whole year, you would get three to one in the accounts published to January?—It would be a mere question of accident as it is now; it is a question of accident whether it is paid at one time or the other.

309. Mr. *Wilson*.] The great object that you have in recommending that the finance accounts should be made up to the 5th of January I understand to be, that you think the House of Commons should be in possession of the finance accounts when the discussions upon the budget take place?—Yes.

310. Will you have the goodness to tell the Committee whether the inducement for the change made by Lord Althorp, was not for the purpose of enabling the Government to vote the great services of the year before the financial year expired?—Certainly.

311. When Parliament used to meet before Christmas, and before that time, the financial year and the finance accounts of the year corresponded?—Yes; but,

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but, as far as I know, with the exception of some possible cases of a pressing nature, such as the funding of Exchequer Bills, a loan or a vote for some unexpected casualty which required to be provided for, there has been very little financial business done in the November sittings; they were generally speaking for other purposes than financial purposes during many years past.

312. Before 1832, when the change was made, and when the accounts corresponded with regard to the period of the year to which they were made up, the same inconvenience existed with regard to the period at which the budget was made, that the accounts were not before Parliament, as will exist now, when they are made up to a different period?—If the budget was voted in the November Session that objection would apply.

313. If the financial statement were made in February or March, before the finance accounts were completed and laid before Parliament, the inconvenience to which you refer now must have existed?—In any case in which the financial statement was made before the finance accounts were rendered that inconvenience would arise, but in every case that I remember the demand for the financial account was not unfrequent on the part of such Members as were interested in the financial condition of the country; they asked, when shall we have the financial accounts.

314. Has it not been the case, of late years, that the financial statement of the year has been frequently made before the usual period at which the finance accounts made up to the 5th of January were placed upon the table of the House?—I cannot exactly bring these dates together since I left the House of Commons, 17 years ago. When I was there, I state it to my own blame, the real fault was delaying the financial statement too long; but the object of Lord Althorp's arrangement was consistent with having the financial accounts on the table before the statement was made.

315. Are you not aware that, within the last 10 years, the financial statement of the year has frequently been made sometimes in the month of February, frequently in the month of March, and very frequently before the finance accounts have been before Parliament?—No doubt in several of those years many reasons will occur to the honourable gentleman at once, why the financial statement should have been made at those periods. When great changes of financial administration were impending, the finance minister (I take as an example the case of Sir Robert Peel in 1842), felt it to be his duty, with or without the financial papers, to bring forward the measures which he intended to recommend to The House. But if I remember right, special explanatory papers were prepared and presented by the Government. The case to which I refer, of Sir Robert Peel, was like the case of the breaking out of a war, that might set ordinary rules wholly at defiance; and you were compelled to view the matter as a whole and bring forward your proposition when the country required it at your hands without any avoidable delay.

316. Mr. *Cardwell.*] The year 1845 being one of those years was also a year in which increased Navy Estimates were proposed, and still the financial statement was made as early as the month of February?—Yes.

317. Mr. *Wilson.*] I hold in my hand a statement of the period at which the finance accounts have been delivered to Parliament in each year since 1839, and I find April 25, April 29, April 28, April 20, May 1, April 27, April 28, April 29, May 5, May 2, May 7, May 18, May 3, May 13, May 7, May 24. That is for every year from 1839 to 1854, the earliest of the whole being the 25th of April, and a great number running into May, and one as late as the 24th of May. During the whole of those years, the finance statement having been made almost invariably in the month of March, sometimes in the month of February, and at the latest I believe in the first or second week of April, the finance accounts being *delivered* at the dates which I have read, could be of no service in discussions upon the budget?—Not at that time; but as it is stated that the papers were delivered in all those cases in the month of April or May during the Session, you have to compare that system with the delivery last year, on the 6th of October, after Parliament had risen; I should unhesitatingly differ from the suggestion involved in the question, whilst I admit that the delivery of the financial accounts is important previous to the financial statement. I do not deny that there is also great benefit from having them on the table in April and May, in place of not being in the hands of Members till after the prorogation.

318. But not for the purpose of discussing the Budget, when brought forward?—Not in that event, undoubtedly.

319. You

319. You have contrasted the dates under the old system with the 6th of October of last year: now have I not already stated that, last year, being the first year, was an exception, and that in the present year, and in future, the Treasury will undertake that the finance accounts shall be in the hands of Members, made up to the 30th of April, on the last week of May or first week in June?—That is a great improvement as compared with the postponement of the finance accounts to the close of the Session; but I still think that it would be infinitely better to have the finance accounts in the hands of Members when finance questions are discussed.

320. Seeing that, even under the old system, the finance accounts have not been in the hands of Members at the time of the Budget, or for some time afterwards, is it not a great object, in making that uniform, that a week or two longer than the old term may be taken for the purpose of presenting the finance accounts?—No doubt it lessens the inconvenience; it is a certain inconvenience, one way or the other. For those who consider an early communication of the facts contained in the finance accounts to Parliament as the first great object, that is the point to be gained. On the other hand, for the convenience of getting a coincidence between the financial transactions of the year and the financial accounts of the year, there is another very great object to be gained, namely, comparing the one with the other. It is not for me, but for the Committee, to draw the balance between the two systems.

321. Mr. *Henley*.] If an account made up to April be presented within two months, an account made up to January can equally be presented within two months?—Yes.

322. Mr. *Chancellor of the Exchequer*.] Do you believe these accounts to be incorrect?—They are incorrect in this sense: the Treasury, with full authority, and being well advised, prescribed certain heads of account, under which all Exchequer payments were to be entered. I was under the obligation of complying with the order of the Treasury, my compliance with which came within their cognisance. By removing from my department the duty of making up of those accounts, and not sending the proof sheets of the account in question to be looked over, as was usual, to aid the Treasury in giving a correct return, the Treasury were enabled without my knowledge to alter the heads of account, and render these accounts after their own fashion; and consequently there is a discrepancy between the accounts which they furnish, and the accounts which I am bound to furnish, yet both are made under the same Treasury authority; a variation being made in the finance accounts by the Treasury, not communicated to me, and I being compelled in one case by Act of Parliament, and in another by Treasury order, to give the account just as it stands in my books. Therefore you will be all led astray, as I was, from the difficulty of reconciling two accounts; both made in relation to the same office, both under the same authority of the Treasury itself, and yet those accounts differing in several points.

323. What is the account to which your Lordship refers?—I take this as being the latest account to which I can refer; it is the first account after the change, the second account, that for the present year not being yet furnished.

324. Will you state precisely what it is that you object to in this mode of rendering the accounts?—The date is 1854–5; the year ending 31st of March 1855. I allude to the finance accounts. Here is my Exchequer account for the same period, to the year 1854–5, in like manner. My account is always rendered before the finance accounts, because it is simpler, and is much more easily completed, without claiming merit for any great diligence.

325. Is that an account rendered to Parliament by the Comptroller of the Exchequer?—Yes, under the Act of Parliament 4 & 5 Vict. c. 15.

326. And made up to the 5th of January?—No, it is made up to the 31st of March; the two are in this point identical. But placing those two documents before you, you find they differ; that is not right.

327. In what respects do they differ?—They differ, first, with respect to the mode in which you class the expenditure; I am not saying your new classification may not be better than the old; it may be worse; but no directions were given that there should be a similar alteration made in the system of the other accounts; therefore in that respect they differ; and in that respect they exhibit various modifications. But if the Committee will allow me, I will give them, in place of going verbally through them, which would be very difficult, a memorandum, showing the points of difference in the two accounts, upon which

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which they can examine me further; that will be more satisfactory to them than if I gave them a *viva voce* answer upon that account. I give you now from my account, to support this evidence, the surplus fees of regulated public offices; in page 2 is one head of account. There is, in the same page 2, Imprest Monies, &c. You will find in the finance accounts those two heads, but you will find that there are different sums annexed to them; that arises from the Treasury having varied the manner in which they class their accounts from the manner in which they directed me to class my receipts, and therefore there is a want of coincidence between the two accounts.

328. Mr. *Wilson.*] That has nothing to do with the dates at which the accounts are made up; the two have no connexion with each other?—They seem to me to have every possible connexion. If the Treasury adhere to the old plan, before the account is rendered relating to the Exchequer and other departments, and when the account is printed in proof send them to the departments for their observation, they will get the two accounts coincident, the one explanatory of the other; but if the two accounts are made up quite separately, upon different principles, and yet are intended to communicate knowledge to Parliament of the same transactions, it is quite clear the result is not knowledge, but confusion. This I attribute to the haste with which these accounts are made up.

329. Mr. *Chancellor of the Exchequer.*] I understand you to say that there is a difference between the two Exchequer accounts, one rendered by the Exchequer, and one in the finance accounts, but that they both relate to the same period of time, and therefore they are not in any way affected by the question of the date up to which the finance accounts are made?—The connexion, I take the liberty of suggesting, is such, that if you hurry the performance of these duties too much, for the purpose of overtaking, as it were, your financial statement, you will have these errors continually recurring in such a complicated system as this. I am comparing accounts made up to January with those made up to April; the latter must necessarily be more hurried.

330. Do you state that there are any errors in the Exchequer account as presented by the Treasury?—I do mean to say distinctly that if the right honourable gentleman will turn to page 34, the account of miscellaneous receipts paid into the Exchequer in the year ended the 31st of March 1855, under the heads after-mentioned, if you compare that with my account, it does not concur with the facts or with my accounts; this leads to confusion; and it seems to me that these heads of account and entries are so confused by the mode in which they are stated, that they lead Parliament astray, as they would lead the department itself astray without much attention.

331. I understand from your statement that the classification of the items is different, so that the amounts opposite the different items do not agree; but is that difference owing to error, or is the difference owing to different principles of classification having been adopted in the two accounts?—A different system of classification was adopted in the two departments leading to that inconsistency, both systems being under Treasury direction; I have also shown to the Committee, page 39—this is the account of repayments of advances made out of the Consolidated Fund for purchases of bullion, &c, in which we are bound to set out the Acts of Parliament under which all those purchases are made—from the hurry and want of check which the former system would have given, those Acts of Parliament are set out erroneously in the finance accounts, and consequently misapprehension exists. I give this example out of several before me. But it is a very inconvenient thing that a public document issuing from a public department should not recite the Acts of Parliament with accuracy.

332. How does the present system lead to hurry in the preparation of the finance accounts; I thought I understood you to complain that there had been great delay in the presentation of the finance accounts?—The complaint I made was, that if you have to make up your accounts to the 5th of April and are bound to have them printed and in the hands of Members in time for the financial discussions in Parliament, you must be inevitably more hurried in doing your work than if the financial accounts are made up to January, and you have the power of looking at them, and seeing that they are correct before you furnish them. That hurried execution can hardly be consistent with accuracy.

333. You attribute what you consider errors in the Finance account of payments into Exchequer to which you refer, to hurry and confusion, and not to any

any intention of exhibiting the account in different forms?—I am sure they had no such intention of creating this confusion. I think there was great inconsiderateness in making the change; with respect to the Exchequer account, without communicating simultaneously to the parties who were responsible for making up the account in the Exchequer, and the inconvenience which has arisen from that is, that you have two separate accounts differing from each other, yet purporting to represent the same transactions. Suppose an account made from the Bank of England by Act of Parliament, and a similar account required from the Treasury; if they were not made upon the same principle, where would be the use of calling for those accounts at all, if the object were to compare them?

334. Mr. *Cardwell.*] Those are two different things; the one thing you point to is the Treasury Instruction given to your Lordship's office to prepare the account in one shape, whereas by the Act of Parliament you are compelled to make the account in another shape?—The fact is this: by the late change the Treasury prepared their own accounts on one principle; at the same time they directed me to act, and communicated to me in relation to my accounts on another principle; up to the period of this change both accounts were made up upon the same principle, therefore the one admitted of comparison with the other. An alteration has thus been made in the mode in which the Treasury accounts are made up, without any corresponding direction to the Exchequer in relation to the same account, the account being in both cases the payments into the Exchequer, and the result is that the accounts are conflicting and not coincident; and I am afraid that if you precipitate the preparation of these accounts you may have inconveniences of the same kind recurring again.

335. Mr. *Chancellor of the Exchequer.*] Assuming that the errors arising from hurry and confusion are avoided, do you disapprove of the difference in form between the Treasury mode of presenting the Exchequer account and your own mode of presenting the Exchequer account?—My own mode is the Treasury mode; it is not my own mode, it is the mode in which I am instructed to make that account, and I have no power of departing from it.

336. I thought I understood you to say that there was a difference between the items in your account and the items in the finance accounts?—Yes.

337. From what cause does that arise?—It arises in consequence of the act of the Treasury, whose instructions had originally been given to their own department and to mine to make up the account in the same manner; subsequent instructions seem to have issued to their own department to make up these Finance Accounts in one manner, whilst I am left under the former authority in respect to the Exchequer accounts, by which means the two accounts do not concur; and any Member comparing these two accounts would have no small difficulty to reconcile them, or to make them intelligible.

338. Do you think it desirable that they should exactly concur?—Most assuredly I do, and always have done so. They purport to represent the same transactions. These accounts of payments had been uniformly given upon the responsibility of the Comptroller-general to the Treasury, the Treasury have the full power of vouching every one statement contained in that account; but it is furnished by the department immediately cognisant of the facts, the head of which department is bound to subscribe the account and is responsible, and it is furnished to the Treasury, under whose direction the account has been prepared.

339. *Chairman.*] Is not it a great inconvenience, that when the two accounts are presented they should not be under similar heads, so that there can be some comparison made between them?—It is essential, I should conceive; for instance, if you required accounts to be made by the Customs and laid before Parliament, and that accounts of Customs were furnished by the Treasury on another plan, the two returns would be conflicting; you would not make them intelligible.

340. Under the Exchequer Act your Lordship furnishes an account to Parliament of the financial year; will you state what the balance is in the Exchequer at the termination, the 31st of March 1856?—The balance standing to the credit on the account of Her Majesty's Exchequer at the Bank of England as certified to me by Mr. Marshall, the chief cashier, was 5,802,623 *l.* 15 *s.* 10 *d.*; that is including both the Exchequer account and the Exchequer credit account.

341. That does not include the Bank of Ireland account?—No.

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342. What is the sum total of the account?—The sum total of the income at the Bank of Ireland at that period was 1,283,574 *l.* 9 *s.* 10 *d.*

343. What does that amount to, adding the two together?—£. 7,086,198. 5 *s.* 8 *d.*

344. Your Lordship's statement of the balances in the Exchequer does not appear to tally with the balances of the Exchequer which the Treasury give; can you give any explanation of that difference?—There is an item of credits in the one and not in the other. The Committee will observe that the balance at the Bank of England on the 31st of March consists of two items: the one is the balance of income which remains to the Exchequer account, properly so called; that is, an account which can only be drawn upon by my warrants as Comptroller-general of the Exchequer. But beyond that there is another balance, which lies at the Bank of England, which is the balance of Exchequer credits, namely, sums which are placed by my warrants at the disposal of certain classes of public accountants, and which have been drawn out of the Exchequer balance, but which still stand at what is called the Exchequer credit account; this is a sum upon which the Comptroller-general can no longer draw, but on which the accountants, to whom the credits are granted, can draw. Therefore it is formed of unexpended issues, and to find the amount unexpended you must add to the Exchequer balance (which is to my account) the balance of Exchequer credits which have been passed from me, and which are at the account of the separate accountants to whom they go, principally to the paymaster.

345. Do you include that in your accounts?—Yes.

346. Then your account is framed upon different principles from the balance sheet account?—Yes, in that respect it is; the balance-sheet only states the balance of my Exchequer account, excluding the Exchequer credit account.

347. Mr. *Wilson.*] They must necessarily be different, must they not?—Yes; that is not a discrepancy of error, but only a natural way of stating in the balance sheet the money which is unissued from the Exchequer, and which remains there available for the public service.

348. Your annual Exchequer account shows and can only show the sum of money standing to the Exchequer account, upon which you have not issued any credits, and therefore, is still at your disposal?—In my annual Exchequer account I am bound to state the balance at the Bank of England and the Bank of Ireland on the 31st of March.

349. Belonging to the Exchequer?—No, pardon me. I am bound to state both balances; they are stated here, but under different heads. Balance of income, that is, income lying to the Exchequer account, 4,319,573 *l.* 19 *s.* 5 *d.* I am also bound to state the balance of credits, 1,483,049 *l.*; giving a total of 5,802,000 *l.*, and thus coinciding with the Bank of England certificate.

350. Is there not a further account in the Bank of England, belonging to the public, which you are not bound to state, and of which you have no cognisance; that is, the cash account?—Yes, I know nothing of the Paymaster's accounts, the cash account, the drawing, or the bill account; the Committee will recollect that my control begins and ends with my own Exchequer account. When monies pass out of the Exchequer account, I am no longer responsible.

351. Therefore there is no reason of that kind, possibly, but that the balance appearing in your Exchequer account should correspond with the balance which appears in the general balance sheet of the year?—Certainly not, because those sums are still available.

352. Mr. *Henley.*] Will you refer to page two of the Exchequer account. There I find that the balances are contained under two heads, credits granted but not drawn, and income. The income amounts to the sum of 3,227,409 *l.* for Great Britain, and 740,593 *l.* for Ireland; the gross available income of the two countries being 3,968,000 *l.* some odd shillings and pence, in the Banks of England and Ireland on the 31st of March 1856. Those were the balances in March 1855?—Yes.

353. Can you explain why the same statements of the balances in the Exchequer in this account of the balances of public monies, under the head of Balances in the Exchequer of England and Ireland, amount to a different sum, being 3,949,774 *l.* instead of 3,968,000 *l.*?—I cannot explain it without reference to the books. I know it is precisely the sum I have, because the voucher for that sum is the receipt I have from the Banks of England and Ireland; therefore, in as far as the vouchers are concerned, there could be no other sum stated. This is the account made up at the Treasury, and I cannot (above all since

since the heads have been varied in some respects) reconcile many of the entries in these accounts.

354. Is not it desirable that exactly the sum stated, as being the balance in the Exchequer at a particular date, should correspond in the account furnished by the Treasury, and that furnished by you?—Precisely so; and this is one of the inconsistencies which I have adverted to in my evidence previously.

355. Mr. *Chancellor of the Exchequer.*] How does that inconsistency arise?—I shall be able perhaps to explain it, if required, on examination; but I know that this account of mine must necessarily be correct, because it is founded upon the actual certificates of the two Banks of England and Ireland, and so does not admit of an error.

356. Did not you say you had adverted to it in your previous evidence; and you probably connected it with some other circumstance?—I believe I can answer that question now, but you will get it better from a Treasury officer. I believe the form of making up the Treasury account is, that the Treasury considers a sum charged upon the Consolidated Fund as a sum issued, and I do not. I reckon as the balance in my account everything that is there, and I cannot diminish that balance by the possible claims upon it. This is prescribed to me by law.

357. Has that always been the practice, with regard to that mode of stating the account in the Treasury and in the Exchequer, or is it owing to any recent change?—I am not aware how it has been done in the Treasury. I have not pursued the subject, because, from the circumstances which I state, I have felt some difficulty in reconciling the two classes of accounts, and as I have no authority to correct the one, and I know that the other is correct, I have no motive to go into the discussion.

358. Mr. *Henley.*] There is a discrepancy between the balance at the end of the year as well as the beginning, putting the credits aside; the cash balances in the end of the year, according to the Treasury account, amount to 5,600,621 *l.*; your cash balances do not amount to that sum?—Possibly, if I am right in this surmise, which is only a surmise, that if there is that different mode in the Treasury of stating the account, it would apply to the second balance at the close as well as at the beginning. I should suggest that that is a question which it would be better to put to the Treasury. I only know that agreeably to the evidence now before the Committee, upon the certificates of the Bank itself, my statement of the balance is accurate and correct.

359. May I ask your opinion as to whether the accounts published in the Treasury, under precisely the same heading, and the accounts published by the Exchequer with the same heading, ought, or ought not, for the public convenience, to correspond?—I think they ought to correspond upon the principle upon which the account is made out, unless it is immaterial that the one account should furnish a check upon the other.

360. Comparatively they are of less use to the public than they otherwise would be?—Yes.

361. Mr. *Williams.*] With respect to those two accounts, do they relate to the payment of precisely the same money?—Precisely the same.

362. But they differ on account of the items being placed under different heads; how is the difference in the gross amount accounted for?—There is a difference in the balance stated at the commencement and at the close. I have stated the principle of my account, namely, upon the certificates of the Banks of England and Ireland. I can only return the balance they certify to me; that I have returned, and that is a check upon my previous payments.

363. Your balance is the balance of the Bank of England, the bankers of the Government, in point of fact?—The balance I furnish is that which the two Banks furnish to me with their certificate. That I apply to my own accounts as they stand stated in detail. I know what the balance is which my own accounts will furnish me, and that coinciding with the certificate of the Bank that that is the balance in their hands, I get a check which shows me that my account in detail, and their own account in the gross, are both correct.

364. They are so checked that there can be no question about it?—No.

365. Therefore if there be any incorrectness, it is in the other statement?—I do not suggest incorrectness as meaning a mistake; the account may be made up on a different principle.

366. Mr. *Wilson.*] The certificate from the Banks of England and Ireland refers only to the Exchequer account?—It furnishes me with an account, not only

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only of the Exchequer account, but also of the Exchequer credits, which have already gone from my account of balance of income.

367. That is only still in reference to the Exchequer account?—Yes; but the Exchequer account and the Exchequer credit account are two totally different things; the one is an account standing in my own name, and upon which no other authority but my own warrant will act; the second is an account which has been parted from my general account, and which is carried to another credit, upon which other parties are legally entitled to act; they have the same power of acting upon the Exchequer credit account by law that I have of acting upon the Exchequer account.

368. By the certificates which are furnished by the Banks of England and Ireland, do you refer only to the Exchequer account in those two Banks of monies unissued, standing to your account, and of monies unissued upon the credits you have granted upon your account?—Precisely.

369. But that does not refer to any other monies which may be standing to other accounts belonging to the Government?—Certainly not.

370. Therefore it is not a certificate of the amount of monies standing in the Banks of England and Ireland to the credit of the Government, but simply an Exchequer account in those two capacities to which I have adverted?—Yes; neither do I conceive that account is, or can ever be, an account showing the balance of all that the Bank holds on account of the Government; this is the balance in the Exchequer, namely, general Exchequer balance; the particulars are given here—(*see* 4 & 5 Will. 4, c. 15, s. 10)—4,319,573 *l.* 19 *s.* 5 *d.*; but neither account would furnish an account of all the Government monies; it would not, for example, furnish an account of the monies that stand to the account of the Receivers-general of the revenue.

371. *Chairman.*] The balance is 7,086,198 *l.* 5 *s.* 8 *d.*; you report that in the Exchequer?—Yes.

372. If, therefore, the Treasury account adds to that any monies which the paymaster may have upon his cash balance, that of course will be so much increase?—Yes.

373. As I understand it, this account, so far from furnishing a larger balance, is pretty nearly 2,000,000 *l.* underneath. The balance is stated to be 5,600,000 *l.*?—Yes.

374. Mr. *Henley.*] The balance upon the Exchequer account is 5,603,000 *l.*, taking the credits out?—Yes.

375. *Chairman.*] Deducting the credits, still the Exchequer account is 3,000 *l.* more than the other?—Yes; I believe I can now explain this. I find that there are certain sums strictly appropriated sums with which the Government *quâ* Government have no concern; they are to go to particular purposes, and to be kept as particular accounts. Dunleary Harbour, the Royal Exchange in Dublin, the Inns of Court at Dublin, do not enter into the account; they are excluded, such as they are; it is that difference of balance which is not dealt with as being a matter of public revenue.

376. Mr. *Wilson.*] Your balance includes not only monies actually in the Exchequer account at the time, but the unissued portions of credit you have given upon that account?—Precisely so.

377. This balance, and the quarterly balance sheet, is a balance upon the Consolidated Fund which has been unappropriated, and is applicable to the payments of dividends or any other charges upon the Consolidated Fund at that moment only?—I believe that may be the case, but I should rather leave this for distinct explanation, for that will not resolve the whole matter.

378. Is not this the balance on the evening at the close of the quarter in the Consolidated Fund applicable to the payments of dividends and other charges upon the Consolidated Fund, and when the account is made up of the payments of the quarter chargeable upon the Consolidated Fund the excess is the balance of the quarter in favour of the Consolidated Fund; or the deficiency, if there is a deficiency, is the amount of deficiency bills, in order to make up the amount?—It may be so, but I cannot give a distinct answer upon that subject without taking into account the small causes not included in the question put, and producing a discrepancy between the one and the other account.

379. They are two entirely different accounts, and have no necessary relation to each other?—One is the Treasury account, made for the purpose of satisfying an Act, and the other is my annual account, made according to an Act which directs

directs me to give an account of what is lying at the Bank to the Exchequer credit, 4 & 5 Will. 4, c. 15, s. 23.

380. Mr. *Chancellor of the Exchequer.*] The balance of the Treasury account shows exactly the unappropriated balance in favour of the public, whereas the Exchequer account shows also other monies which are confounded with that balance?—Yes; the Committee will see that I am bound to return as balance everything that stands to my account; I have no choice about that.

381. Mr. *Williams.*] From your Lordship's long experience, do you not think that it would be a matter of great convenience to the House of Commons if the estimates were presented immediately after the assembling of Parliament, and that no part of those estimates should be voted without having the financial statement or the Budget presented to the House?—I think it is very difficult to make the rule absolute in that respect; I believe, as a general principle, it is of the first importance for the convenience of the public, specially for the convenience of the Government and for the public information out-of-doors, that you should proceed with your estimates and vote your money as soon as ever you can, and I believe that every Government desires to do it if they are able. I think, for that purpose, they ought to have the estimates and the financial accounts as early as they can, but if you make the rule absolute upon that subject you may throw yourselves into very great difficulties. It is like the question of breaking-up at 12 o'clock at night. Cases will occur in which it would be so inconvenient that you cannot make it an invariable rule. And in like manner, with reference to the financial statement of the year, take the contingencies of war. You could not bring forward your financial statement for the year at a fixed date without at times exposing yourselves to compromise materially the diplomatic relations between England and other countries; but as a general principle, reserving particular cases, the question put by the Honourable Member is one which I must answer in the affirmative.

382. Mr. *Chancellor of the Exchequer.*] Do you think that it would be desirable or constitutional to open the Budget, and to propose the ways and means of the year, before any votes of supply have been taken, and that the whole of the expenditure of the year should rest merely upon the estimates presented by Government to the House of Commons before a single vote in supply had been taken?—Certainly not; I consider the question to refer to the general commencement of the annual financial business. The first step to be taken of course is to vote the supplies, because until you know what you are called on to spend it is in vain to discuss with any effect the taxes which are required; therefore in that sense no doubt your votes of supply are your first duty, and your most pressing duty; I considered the question to have regard to the whole system of finance. You cannot pay until you have your ways and means voted. You must get a Ways and Means Act, without which your votes in supply are inoperative. I need not tell the gentlemen to whom I am talking that appropriation does not rest solely upon the final Appropriation Act, it rests upon every Ways and Means Act which passes during the Session, each of which is an Appropriation Act in itself, under which there is a power given to the Government to issue upon votes of the House of Commons, thus combining the general power of the Legislature, which is required for paying money, and the specific mode in which, before the final appropriation, the Exchequer is justified in paying upon votes of the House of Commons.

383. I understood the proposition to be, that the annual financial statement, commonly called the Budget, should be made to Parliament before any votes were taken in Committee of Supply; does your Lordship assent to that doctrine?—No, certainly not; you must propose your finance as soon as possible; the first step is voting the supply, and the next the means of payment.

384. Is it not a constitutional doctrine, that every vote in Committee of Ways and Means is founded upon the previous vote in Committee of Supply?—Yes, and it is carried so far, and justly so, that the House of Commons, except from inadvertence, is bound never to vote one penny in the shape of ways and means, whether from the Consolidated Fund or from Exchequer bills, to an amount exceeding the sum which, at the period of the Ways and Means Resolution, has been already voted by The House; the latter is only to cover the vote in supply.

385. Mr. *Wilson.*] Is it not the case that it is my business, as Secretary of the Treasury, to see that a sufficient amount of Ways and Means Bills are always granted to carry on the public service; and is it not the duty of the Speaker of the House of Commons to see that I never take ways and means for one

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shilling more than has been already granted in Committee of Supply?—No doubt that is the principle; it has sometimes been forgotten, but those are exceptional cases.

386. Mr. *Williams.*] My object in putting the question which I did to your Lordship was this, I think there is great inconvenience in the delay that takes place in the presentation of the estimates. The estimates are presented in part before the budget, and in part subsequently to the budget; so that, in point of fact, the House of Commons never knows, as a whole, what is the amount of money required. It appears to me that it would be a matter of great convenience if the House of Commons had the whole of the estimates laid before it, and then had a statement from the Chancellor of the Exchequer as to how he meant to provide the money for the payment of those estimates, before the estimates are voted; I think that would be a constitutional principle?—I believe there is an order of the House of Commons at present fixing a time for the presentation of the estimates, and in relation to the three great services, they generally are presented at an early period. There may be occasions when a supplementary estimate is necessary, even for the three great services. In respect to the miscellaneous services, I know from experience that it is infinitely more difficult on the part of the Government to get them all in in time; but, I believe, in respect to them, as in respect to the great estimates, the sooner they are got in the better, and the sooner they are voted the better; but I do not mean in the slightest degree to state or infer any opinion that until estimates are voted, The House can proceed to supply the ways and means of the year. The estimate must come first, and the ways and means follow; and it is upon a Ways and Means Act ordinarily the budget explanation of the Chancellor of the Exchequer is given, although this is not the case invariably.

387. Reference has been made to an expenditure on the part of the Commissioners of Woods and Forests; your Lordship is aware that a very large amount is annually expended out of the revenues of the Crown, by the Commissioners of Woods and Forests, without the authority of Parliament?—I believe that what is incident to the management of the property is so expended. I cannot speak with any very great accuracy about this, as great changes have taken place in the management of the Woods and Forests since I ceased to be concerned in the financial business of the country. I believe that considerable improvements have taken place, but still my impression is that the amount required for the administration of those landed estates is expended without a Parliamentary vote.

388. Is it not your Lordship's opinion that the sanction of Parliament ought to be given to that expenditure by means of estimates?—My own opinion is that inasmuch as the revenue, during the lifetime of the Sovereign becomes part of the actual state revenue, and as its administration consequently stands in the same relation with the administration of the charges of collecting the remaining revenue, or in administering the Post-office, Parliament has as good a right to ask for estimates in the one case as in the other. I stated my difficulties, however, with respect to uncertainty pervading those estimates in themselves, but the income is part of the revenue, and the rule ought to apply in common to both branches, if it can be done effectually, which I venture to doubt.

389. Sir *H. Willoughby.*] It is stated that the general principle is that all revenue shall be paid into the Exchequer account over which you have the control; is not the Woods and Forests Department an exception to that rule?—It is an exception in practice.

390. Can you state to the Committee to what extent it is an exception?—No, I cannot; but I presume that in the Parliamentary inquiries which have taken place since I left the House of Commons, namely, Reports and Inquiries upon the Woods and Forests, that is probably shown. There is a certain statement made in the financial accounts upon the subject of the disbursements after they have taken place, but the capital account is not contained in those accounts.

391. In the last financial account in 1855, are you aware that it does appear that a sum of more than 96,000*l.* was paid by the Woods and Forests without that money in any way coming to the Exchequer?—There was a considerable sum; the amount is probably stated with accuracy by the Honourable Member, but it will appear upon the face of the finance accounts; that is substantially correct I have no doubt; in page 32 I find an account of payments out of the monies

monies arisen from Her Majesty's Woods other than charges of collection: that is stated for the year, mentioning, amongst other things, ancient pensions and payments to schools, churches, &c., 106,000*l.*; that of course the Committee know is not voted, though it is stated to Parliament, and it is separated from the charges of collection, properly so called, which enter into another head.

392. Therefore it is not true that the revenues received by the Department of Woods and Forests are accounted for to the Exchequer?—No: there is a certain sum which is paid in to the Exchequer, and which is charged in my Exchequer account, but that is a net amount, and not a gross amount.

393. Mr. *Bowyer.*] Is it a fixed sum paid into the Exchequer?—No; it varies from time to time; at the commencement of the reign of William the Fourth, if I remember right, there were very considerable charges arising out of sums advanced for building the new street, and for other improvements; pending the repayment of those sums the amount paid into the Exchequer was less; as those charges have been paid off the amount has increased.

394. Sir *H. Willoughby.*] Is it not the fact that the Department of Woods and Forests pay to the Exchequer account annually such balance as seems fit to the Treasury?—Yes, such balance as seems fit to the Treasury; but I can say from experience when I was at the Treasury, that the Treasury applies a very strong inducement every now and then to make the Woods and Forests pay up a little more than they might have originally intended.

395. Can you state the sum that was paid into the Exchequer account in the year 1855?—It was 272,571*l.* 16*s.* 8*d.*

396. Therefore in point of fact, in that year 272,000*l.* odd was paid into the Exchequer account, and according to the finance account 106,000*l.* was paid by the department, exclusive of the costs of collection?—Yes.

397. Mr. *Peacocke.*] Are there any sufficient reasons why the Woods and Forests should stand upon this exceptional footing?—I can only tell you what influenced my mind in not having made any alteration in this respect. The management of large estates scattered about England is an exceedingly expensive sort of thing, very difficult to effect, and very little susceptible, so far as I was always led to imagine, of correct estimate beforehand. That certainly was an impression left upon my mind; but since that time, now 17 years back, there has been a full inquiry into the matter, and I should rather refer to those reports that have been made, than to anything that I could say now from memory.

398. Would not the Woods and Forests in that case be almost analogous to the Ordnance, which has also a vast number of local payments and businesses to be carried on?—I think that local payments of the Ordnance are much more capable of being estimated for than the expense of management of scattered landed property. I believe every one dealing with scattered landed property knows how difficult it is to form estimates for its management.

399. Mr. *Wilson.*] The gross income according to the accounts now before the Committee of the Land Revenue is 383,758*l.* Of that 272,000*l.* has been paid into the Exchequer, 16,000*l.* has been expended for management, and 106,000*l.* has been expended under five heads. With regard to the 16,000*l.* of management, there might be no difficulty in estimating that?—No; so far as it consists of salaries and allowances.

400. The next item is 8,263*l.*, ancient pensions and payments to schools and churches; there would be no difficulty in estimating that?—No.

401. The next item is salaries to rangers, wardens, and keepers, 2,794*l.*; there would be no difficulty in estimating that?—No difficulty that I should think insurmountable.

402. The next two items, one amounting to 44,000*l.* odd, and the other 49,000*l.* odd, making 94,000*l.* together, consists of "Payments for improvements and repairs on Crown estates, and for property tax, land and other taxes, payable and allowances to Crown tenants," and for "Payments for repairing and maintaining buildings, walls, fences, and roads, and for making inclosures and plantations in the Royal forests, &c. (including Windsor and Bagshot), and upon estates of the Crown reserved for the purpose of raising navy timber, together with rates and taxes charged thereon." From your great experience in the Treasury, and the management of this property, which is under Treasury control, do you think it would be possible to foresee in the management of a huge estate, yielding a rental of 383,000*l.* divided all over the country, the arrangements that must be made from day to day, from week to week, and from

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from month to month with the whole of those tenants, with regard to new leases to be granted, new farm buildings to be erected as the conditions of the leases, and the various other improvements which include in the present year 94,000 *l.*, and would it be possible to estimate such an expense as that?—It was on that ground that this species of expenses seemed to me to be so incapable of any accurate *a priori* estimate, that I do not think it could be provided for in the ordinary way. It must be left, I think, to the department, subject to the control of the Treasury, the Treasury here having a distinct interest to control it strictly, because in proportion to the correctness of its own control it brings a larger sum into its own exchequer, and it is a case in which the Treasury has a direct interest in making the control as correct as possible.

403. From your experience at the Treasury, are not you aware that this sort of thing happens every day or week, perhaps that the Commissioner who has charge of the land revenues, sends a communication to the Treasury stating that such and such a farm is out of lease, and proposing to relet it to a certain tenant, who offers certain conditions, provided he will make certain roads or carry out certain drainage; all of which will pay good interest, if he asks the Treasury sanction for those improvements to be effected?—Yes. I have no doubt it is so.

404. Therefore, would it not be utterly impossible to foresee the expense which might be entailed by such improvements, in order to make any estimate which would be worth anything for the guidance of Parliament?—I believe that is likely to be the case.

405. Sir *H. Willoughby.*] You have heard a number of items lumped together in those two payments, amounting to 93,000 *l.* Is there any necessity for putting together various items of that different character in one lump?—I think there is not only no necessity, but very considerable objection; and having stated the difficulty of giving an estimate, I think it becomes all the more essential that you should require and have the closest and most accurate account. If you are left without a sufficient check in the way of estimate, which I believe to be the case, you ought to have a great and salutary check in the shape of the account rendered, and it should be rendered in detail, and not clubbing together so many different branches of expenditure.

406. Mr. *Chancellor of the Exchequer.*] Is it not the fact that that detailed account is now rendered in the annual report of the Commissioners of Woods?—I have referred already to the changes that have been made with respect to the reports and accounts rendered. I believe that they have been greatly improved since I had cognizance of them. I have not for some years had occasion to examine the details of the annual reports, to which I beg to refer the Committee.

407. Mr. *Peacocke.*] Do you think that there are no means of making an estimate of the average expense of managing a varying amount of property?—I think that it would be exceedingly difficult, with respect to one's own property; I have sought it very often, and have not succeeded very well; but in a property like the Crown property, which is scattered in many places, the difficulty is still greater, which leads to the very large question, whether it is desirable to keep possession of the smaller parcels of land at all; I believe it to be very difficult to do it advantageously. Not having English property of my own, I cannot say how far it is better done in this country than in Ireland. I know that, in Ireland, many small properties of the Crown have been sold greatly to the advantage of the Crown estates and the public. In Ireland the management is greatly improved.

408. Mr. *Williams.*] The items stated by the Honourable Member for Westbury do not materially differ from the items which you see in the Army and Ordnance Estimates especially: and perhaps your Lordship will be kind enough to say where the difficulty lies of making an estimate of those items which occur every year in those accounts. They do not very materially differ; but perhaps some alteration might be made in them, if they were subjected to the revision of Parliament?—I think the difference would be obvious if you compare the items of expense for the management of a great estate and the expense of works carried on by the Ordnance. The one seems to be much more susceptible of previous inquiry and of estimate than the other.

409. Mr. *Henley.*] I think the gross amount of the annual revenue is something less than 400,000 *l.*; we have given a sum here of 94,000 *l.*, approaching to

to a fourth part of the whole, which is stated to be expenses which cannot be estimated; do you think, in your experience of private landed estates, that parties would submit to a deduction of one-fourth of the amount of the rental, without its being able to be estimated beforehand?—No, not to that extent. But I do not think that the analogy is quite accurate between landed estates and estates of the Crown, which are so very much more scattered, and in some instances are unimportant in themselves in point of income; and in proportion as a property is scattered, and in small parcels, so the expense of management must be increased; but I carefully abstain from expressing any opinion as to whether that expenditure was really required upon the property. I have no knowledge of the matter. The law does not bring this within the knowledge or control of the Exchequer. I assume, however, that there is a degree of responsibility with respect to the whole expenditure, and large sums cannot be expended arbitrarily, as I believe, or without a report from the Woods and Forests, and a consideration of those reports by the Treasury.

410. The scattered state of the property might increase the expenses of management, but it would have nothing to do with respect to the power of estimating the particular items?—Not in relation to the power of estimating the particular items, if you are able to apply as strict a supervision, or so economical an administration to an estate which is scattered in small parcels, in many places, as you would apply to an estate that lay in one place.

411. That is a question more of the difference of the expense of management; the Crown property is generally let upon lease, I believe?—Yes; but other considerations enter likewise.

412. The renewal of those leases is necessarily carried on by negotiation; before a lease is passed, the Crown, by the records, must know when those leases are about to expire; what difficulty is there in their entering into negotiations for the renewal of the leases, and having those conditions ready to put before Parliament in the shape of an estimate for new buildings and drainage, and all those items which, ordinarily speaking, form a large portion of that sum of 90,000 *l.*?—That an estimate might be made, I believe, but it would be rather from taking the averages of previous years, and then checking those averages by local survey and inquiry, than being quite certain at the commencement of the year what it is that you will want to expend in drainage and improvements over a vast variety of scattered lands; I feel the difficulty of it, though I cannot be confident that it amounts to an impossibility.

413. Surely the Crown agents are paid a sufficient per-centage for oversighting the estates of the Crown; what more difficulty is there for those agents to say, "This estate wants a certain sum of money laid out upon it," if they do their duty, than in the case of any agent of a gentleman of landed property?—Yes; it would be analogous to the question whether the Crown possesses it, or the Duke of Devonshire, or the Marquis of Westminster; but I doubt whether the nature of the Crown estates resemble very closely those of private parties. This I doubt.

414. The deduction is very great, 90,000 *l.* odd upon an income of less than 400,000 *l.*, is not it?—It appears to me very considerable.

415. And, of course, in proportion as it appears considerable, so it would appear to be more easy to make an estimate for large expenses than for small ones?—It would be so if it were not an estimate compounded of the management of a great number of scattered properties; the difficulty would be increased not by the amount of total rental, or the area, only, but by the scattered nature of the property.

416. Are you aware whether the agents of the Crown are not paid like the agents of other persons, a per-centage for oversighting this property and acting as agents ordinarily do?—I believe they are; but at the same time, even with respect to small properties, if it is a scattered property, and you have to employ agents in different places, you have to pay a larger per-centage upon a small property than on a great one.

417. If the agents do their duty, why cannot they make an estimate of those expenses upon this property as well as in the case of private properties?—I think they could do it just exactly the same if the property is similarly circumstanced; in all cases in which you could get an accurate estimate in the management of private property, I think you could in the case of Crown property, assuming the circumstances of both to be similar.

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418. The practice of the Crown of letting land upon leases would facilitate that object more than where land is held upon a tenancy from year to year, would it not?—Really I am not sufficiently informed to give any evidence that is worth having upon that subject; I should think if you let upon leases, the difficulty arises upon the making of the lease and the condition of the lease; if it is for 14 years you settle it at the beginning of the term, whereas if you have it from year to year you may have to make a calculation every year of your transactions.

419. Its being upon lease would therefore simplify the transaction?—Yes, certainly; but there remains the question of seeing that the covenants of that lease are complied with.

420. That deduction, under the name of ancient pensions and payments of that description, is probably the amount of payment charged upon the property when it was transferred from the Crown to the general revenue of the country?—With respect to ancient pensions it must assuredly be so. With respect to the others, there may be small superannuation charges for officers, and charges of that kind. But here I may be allowed to state, with respect to those ancient pensions, that I referred on Monday to a case in which a Parliamentary power was taken to dispose of some ancient pensions upon the Crown lands, and I stated that case as a precedent and as an authority for going to Parliament upon that subject. Since then I have looked carefully into the Act which passed, and I find that that Act had a special reference as well to the power of sale as to the power of purchase. It was contemplated to deal with ecclesiastical persons, and therefore an Act of Parliament was absolutely necessary in that case, and therefore that is to be taken in connexion with the opinion which I before pronounced as to the necessity of Parliamentary interposition.

421. *Chairman.*] The amount of 94,000 *l.* is taken together, but there would be no difficulty in estimating the property tax, the land tax, and other taxes payable, would there?—Not at all.

422. Nor the rates?—I think that items contained in that second account might, with convenience, be brought into the same category as the account immediately preceding it. The variations of rate may not be great.

423. Can you bring it within an estimate at all. The more you reduce the fluctuating charge the more easy it would be to bring it within an estimate?—Certainly.

424. The payments for improvements and repairs upon the Crown estates may be expensive, but some sort of estimate may be made from the experience of former years; the Admiralty and Ordnance do estimate the amount for repairs with considerable detail?—I stated that, looking back to the past as a guide for the future, not a guide without adopting it upon inquiry and reasoning, by excluding expenses that are not likely to recur, by adding other expenses known or anticipated, you may come to an approximate estimate; but a close estimate, I think, is hardly applicable to those cases.

425. The allowances to Crown tenants may vary; but, taking a large estimate, giving margin enough, it might be done?—Yes.

426. The second item, "For repairing and maintaining buildings, walls, fences, and roads, and for making inclosures and plantations in the royal forests, &c. (including Windsor and Bagshot), and upon estates of the Crown, reserved for the purpose of raising navy timber, together with rates and taxes charged thereon," might be estimated for; that is a character of expense which might be estimated for?—In private life a man generally says, "I mean to expend so much in the improvement of my estate." In the management of the Crown estates and public expenditure, you rather say how much is wanted to be done, and afterwards provide the money for it. In private life we are limited by the money; in public, you have more latitude in extending your money to the want.

427. With regard to buildings, walls, fences, and roads, and for making inclosures and plantations in the royal forests, that is a peculiar expenditure, in which the department has originally built the walls, and had the property for a long time under their custody?—It is very possible that it might be made, upon reference to the averages of past years, an accurate return.

428. Mr. *Henley.*] Supposing an agent was to propose to any landed proprietor to inclose a piece of ground and plant it, the first question would be, How much will it cost to do it, and what will be the probable return; and what

more

more difficulty would there be in the case of the Crown?—I think the cases are analogous.

429. Sir *H. Willoughby.*] Are you aware that practically there is no Parliamentary check at all?—I believe that to be the case, further than the annual reports to which I have adverted already.

430. Are you aware that the Woods and Forests do report annually, but that that Report is like the Finance Report, delivered at such a time that for the Session it gives no practical information upon which we can act?—I know that many reports to Parliament come very uncertain and sometimes very late, and with respect to them and the finance accounts and other Parliamentary accounts, if they come in later than is available in Parliament, they are, absolutely speaking, worthless.

431. Take the case of the 93,000 *l.* expenditure; if any Member of Parliament wished to question that, he must have done so in this Session for the year 1855?—Yes.

432. What information has Parliament, except through the annual Report of the Woods and Forests, of the expenditure in detail?—I believe none whatever, except the summary in the finance accounts; the Report is full of explanations and details.

433. And that arising in June, and the account being printed in the autumn, practically is not available till the next Session?—No.

434. Mr. *Hankey.*] And then the money would be gone?—The expenditure would have taken place.

435. Mr. *Peacocke.*] If there was some sort of account furnished to the House of Commons of the local expenditure in those particular districts, the local Members could criticise that expenditure, and would be able to give valuable information upon the subject?—Yes, in all cases it would be useful.

436. Mr. *Bowyer.*] Is it your Lordship's opinion that it would be advantageous to the public purse to sell the outlying landed estates of the Crown?—I believe wherever the size and value of the property is small, it is clearly a benefit that it should be disposed of. This has been shown in small Crown properties sold in Ireland.

437. I apprehend that some of this property near town might be sold at a great profit?—I am not competent to pronounce an opinion upon that subject.

438. *Chairman.*] You stated, in your examination with regard to the payments by the revenue departments, that by arrangement improvements might be made, and the exceptions which now exist be removed. Take the case of the Excise: from what you have stated to-day, I apprehend that you would feel no difficulty, if you had a list of charges of superannuations and pensions upon the Excise, in distributing those charges between the Consolidated Fund and the votes of Parliament?—None whatever.

439. If that was done there would be no difficulty in bringing that expenditure entirely under the superintendence of Parliament?—For bringing the whole under the superintendence of Parliament, and the charge which is put upon the vote of Parliament, it should be placed on supply. A charge on the Consolidated Fund secures a knowledge. But efficient control is the result of a Parliamentary vote.

440. There are some payments which are in the shape of drawbacks from the Excise revenue; do you think that they are capable of estimate or not?—I think that they are hardly capable of estimate, except in reference to the sum taken from the experience of the preceding year, with such modification as an alteration in the law may in the meanwhile have made necessary; but it is very satisfactory to see that by the legislation of past years and the diminution of the rates of duty, practically speaking, the question of drawbacks is very much diminished. The simplicity of your tariff now has, amongst other benefits, greatly relieved you from the embarrassment of heavy drawbacks; and therefore, though there must be an amount always in drawbacks, it is so little now that it is not really of any very great importance with respect to the jealousy of Parliament.

441. In the memorandum of Sir Charles Trevelyan and Mr. Anderson they seem to consider the drawbacks and repayments as really not to be revenue, and that therefore they should not come under the superintendence of Parliament; have you formed any opinion upon that subject?—I cannot consider it otherwise than in the light of revenue. The gross amount which is paid is revenue. The claim of a party for drawback is dependent upon certain things, namely, the use that he has made of the article upon which he has paid a duty.

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duty. If he exports it he may claim a drawback; if it is for home consumption he pays the duty; but in all cases whatever, I consider the just and logical way of dealing with the question is to consider everything paid in as duty upon the commodity to be the duty receivable; the drawback going out of it afterwards is an entry upon the other side of the account, but it cannot alter the nature of the first payment.

442. You think that in principle the gross amount ought to be paid into the Exchequer, and then from the Exchequer, upon vote, should be paid such sum as is necessary for drawbacks and repayments?—I think if you were able to make any correct estimate of what will be required for drawbacks, you might make it as part of your estimate for the revenue departments; but I think it is a most important result that your estimate should contain as much of fact and as little of opinion as can be, to make it binding upon the Treasury or upon Parliament, and for the information of Parliament you ought to prepare the estimate with as much matter of fact as possible. Many of the allowances and drawbacks depend upon accident; in the case of malt, for instance, parties in case of accident are entitled to returns of duty; it is hardly possible to estimate that with any certainty, but my own impression is, and it has always been, that that is one of the matters which must be left payable out of gross revenue.

443. Supposing even that upon consideration it should not be considered as gross revenue, would not one of the means to get rid of the difficulties of payments not paid by the sanction of Parliament, be to enact that no payments, except payments in the shape of drawbacks and repayments, should be advanced from the revenue, except on vote?—I think that that is the principle; I do not consider it strictly attained in our revenue payments; now you assume that your making a payment in the way that you deal with a vote in a roundabout way of paying your revenue charges, you should vote upon your estimate everything that is susceptible of estimate; what is not susceptible of estimate, if it must be voted, might be, perhaps, voted as a contingent fund. Do the thing you intend to do in an open way, but do not put in the estimate anything that you are ignorant of.

444. The present system being that certain charges only are voted by Parliament, and that the power of the Treasury still exists with regard to other charges, the proposal that you would make would be that certain charges, if it were necessary, should be exempted, and that no other charge should be paid except by vote?—Precisely; that would meet the difficulty.

445. Your Lordship's attention, I have no doubt, has been paid to what is generally called Sir James Graham's Bill for the Navy. As it at present stands, the audited accounts of the Excise never came before Parliament in any shape whatever; is that so?—They do not come before Parliament.

446. The accounts that are laid before Parliament in the finance accounts are the accounts of the department itself?—They are.

447. Does your Lordship see any difficulty in the Audit Office presenting the same account with regard to the revenue department that they present with regard to the navy?—I should consider that there must be an analogy in the mode of auditing the two accounts. With respect to the object, there is the same motive having but one account audited as there is in the other, and they should alike come before Parliament.

448. At the present time the Audit Board do audit the revenue accounts; therefore there would be no difficulty on that account?—No; but bringing it before Parliament, with the observations of the auditors, in all cases, I think, ought to be a consequence of the necessity of the audit. I will give an example: my account, which is the foundation of the whole receipts and disbursements of the country, is required by Parliament to be laid before the auditors. I observe, in an important memorandum which is appended to these papers, it is stated by the Chairman of the Board of Audit, Mr. Romilly, that that account is never audited. I furnish that account every year to the auditors, and it ought to be audited, I think; because every account which is required to go to the Board of Audit I think is sent there for the purpose of being audited, and if it is sent to the Board of Audit without the object of its being audited, it seems a mere farce, almost a useless form, to transmit the account, except as to the information it gives respecting other accountants, acting as a check on them. But in relation to that account, allow me to say, in passing, that my account has this peculiarity, that no money ever reaches me or passes from me. The whole duty of my department is done by transfers, and my voucher and warrant apply to the account between me and the Bank of England and the Bank of Ireland; that is the Exchequer account.

account. Therefore I have no transactions of issue that would not be represented in my transactions in the Exchequer accounts, by transfers, and credits; by credits in the one country, and transfers in the other; but it would be most desirable in respect to that account, as every other account, if it goes to the audit, that it should be effectually audited, and to make that an effectual account the result of the audit should be laid before Parliament.

449. To return to the audit of the Excise Department, the object of Sir James Graham's Bill was to secure that no service should be charged under a wrong vote. That object would be secured by a similar receipt and expenditure account as that which is laid upon the table of the House, with respect to the army and navy and commissariat now?—Yes; it would be a very great improvement. It might be difficult, however, to apply the concurrent Appropriation Audit.

450. There is one other point. From your evidence it appears that the Exchequer is by no means acquainted with the sum that is actually received by the department. The Excise Department receives the revenue which it pays in to you from time to time, but you are not at all aware what are the sums which the Excise Receivers-general have in their hands?—Not in the least.

451. Those payments are made into the Bank, are they not?—Those payments I consider to be made by the Receiver-general of the Excise Department. The Receiver-general receives the money; he transfers it to the Bank, but whether that money is the money which I ought to receive or not, except the certificate of the department, I have no other evidence.

452. The Receiver-general of the Excise keeps his account at the Bank?—Yes.

453. Would it be a check that the revenue is not delayed beyond what is necessary in the Receiver-general's hands, that the Bank should be directed from time to time to send in to you a statement of the balance of the Receiver-general's account?—I do not think any benefit would be derived from that without further changes; the practice at present is, that the Treasury should instruct the Receivers-general of the various revenue departments, "You shall keep a certain sum and no more;" such was the old system; by a very wise alteration upon the part of the Treasury within the last few years that is so far limited, that they direct them to pay round sums instead of broken sums; the former practice led to broken accounts; at present the payments are made, not including any fractions, I think, of 1,000*l.*; but by the Treasury order and authority the payments are made up by the departments according to the Treasury direction. If there was sent to me any account showing how much they had in their hands, and that I was also informed what were the Treasury direction limiting the amount to be retained by the receiver, undoubtedly I could see whether that direction had been complied with or not; if I had before me the direction of the Treasury that they were to pay up so much and to report to me what they had in hand, I could see that the Treasury direction was carried into full effect.

454. Your Lordship has a Parliamentary check, and a check quite independently of the Treasury; would that afford you sufficient knowledge in case of any Parliamentary investigation to give the information, or will you suggest any other mode?—I think that would be complete if the Bank of England, in the present returns, gave me a memorandum showing the amount which stood at the day of the month in the account to the credit of the Receiver-general of the various revenue departments; if, being in possession of the instructions given by the Treasury, and in possession also from the Bank of the amount standing to the credit of the Receiver-general, I could at once see whether the instructions of the Treasury, which Parliament is interested in seeing carried into effect, were obeyed or not obeyed; and I could then place a check upon the part of the service equal to the check which for the sake of Parliament the Constitution has made as to the issues.

455. Does the suggestion you made apply to the Customs, the Post-office, and all the revenue departments, except the Woods and Forests?—It would apply undoubtedly to the Inland Revenue and to the Customs; just the same facility of check would exist. With respect to the Post-office the matter may be somewhat different, although that would only involve the Treasury directions. I could still see whether the Treasury directions were carried into effect; but in the case of a department which practically has ceased to be a department of revenue at all, and is now a great department of administration, carrying on a great service like the army, the navy, or the ordnance, the Post-office must necessarily have the command of a larger balance than in the case of the other

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departments. The Post-office now swallows up, in its administration, I believe, pretty nearly the whole of the revenue.

456. The amount of balance would be regulated by the Treasury?—Yes, by the Treasury, but the check would be the same.

457. Mr. *Henley*.] You assume always that all the monies in the hands of the Receiver-general are in the Bank?—Yes, such are his orders.

458. There your scheme would afford no check whatever?—No, if those orders are set at nought; but I believe the Receiver-general of all the Revenue Boards must keep his account at the Bank of England or the Bank of Ireland.

459. He ought to do so?—I believe he is bound to do so.

460. A check might be afforded even beyond that, to see whether he did so keep it?—Yes, in the manner I have explained.

461. Mr. *Hankey*.] Does your Lordship consider that it comes within the functions of the Comptroller of the Exchequer to take any cognizance whatever of money paid in to the account of the Receiver-general at the Bank of England?—Certainly not; but the question put to me was, whether such a change could or could not be made; on the necessity of the change I have not stated an opinion.

462. I thought I understood your Lordship, in reply to a question, to say that you thought it desirable that the Bank of England should furnish your Lordship with an account showing the amounts that stood to the credit of the Receiver-general at the Bank of England?—That it would be desirable by a new power; it can only be done by a new power. You asked me whether it was consistent with the present power; I say, clearly not; it is a question upon the alteration of the law. I have nothing to say to gross revenue by law; I know nothing till it is paid in to me.

463. Mr. *Wilson*.] Would it not be the distinct duty of the Treasury, in controlling their own officers, to have an arrangement whereby they should secure that the Receivers-general had never to their account an unnecessary balance?—I presume, under any change of the law it is necessary, that the Treasury ought in like manner to be quite aware that no sum is issued for the public service without a due authority. But I understand the question to be, whether any additional check was necessary, and whether it could be supplied in the way suggested.

464. Would it not be an entirely new principle imported into the Exchequer, to impose upon the Comptroller-general any duties or responsibility with regard to the payment of money, or the holdings of public money not in the Exchequer?—Entirely a new principle; his functions being now confined to transactions in the Exchequer itself, this would extend his control to the receivers' balances.

465. *Chairman*.] Your duties are the receipt and issue of monies?—Yes, of Exchequer receipts and payments.

466. Is it entirely inconsistent with your duty to ascertain whether you have received them or not?—It is entirely inconsistent with the law as it stands that I should examine into gross receipts; or rather it is not inconsistent with it, but it is beyond it, it is not provided for; whether it is desirable or not that it should be provided for is a question the Committee may consider.

467. Mr. *Wilson*.] If the principle were recognised that the Comptroller of the Exchequer should exercise any responsible control over the balance held by the Receivers-general in the Bank of England before they reached the Exchequer, the same principle might as well extend to the Comptroller-general exercising the same control upon the balances held by the receivers in every part of the kingdom; there is no difference?—I do not think the cases are quite analogous, but whether it is desirable or not is a matter upon which I pronounce no opinion whatever; it is entirely foreign to my present duties; I have nothing to say to it. I presumed the whole object of the examination was not to suggest that the Comptroller-general could be called upon to execute such functions as to determine the amount of money to be kept in the hands of a public officer like the Receiver-general, but I assumed the question to mean, and in that sense alone I answered it, that when the Treasury made the order that no more than a given sum should be left in the hands of the Receivers-general, which is a matter in which Parliament may have an interest as well as the department, the Comptroller-general should be required to see, not that the proper amount at his discretion was to be in the hands of the Receiver-general, but that the amount retained by the Bank was the amount which was sanctioned by the Treasury.

468. Mr. *Bowyer.*] Your Lordship is aware that the Receiver-general of the Customs has a general account and a drawing account at the Bank of England?—I should be sorry to give an answer with respect to his accounts; but possibly the Honourable Member is thinking of the system of account which is stated before us in this paper of the Paymaster-general, which is of the nature he suggests. I have no information with respect to the mode of keeping accounts of the Receiver-general of any Revenue department; that does not come within my cognizance or control.

469. Mr. *Wilson.*] On the former day you gave some evidence about the new mode of paying monies into the Exchequer, by the abolition of the specification. I think you stated that by the new mode no acquittance or receipt was given to the person making the payment until the end of the month, until you forwarded to the Audit Board a statement of your monthly receipts, which operated as an acquittance to the collector?—Yes, so I believe, and so I know to be the case as respecting my own department.

470. Mr. *Hankey.*] Were the Committee correct in understanding your Lordship that the Bank did not give a receipt to the officer paying in money to the account of the Exchequer?—I was referring to the practice of the Exchequer; and I stated that whereas, under the old system, I gave daily the form of acquittance which I hold in my hand; every man being an accountant paying money in got the next day an acquittance, in this form, from me to the Exchequer, which was founded upon the receipt which I got from the Bank that that party had paid that money; upon receiving which, I passed this acquittance, and the party then had in his pocket a discharge, which was good against all the world. At the present time I do not give any such acquittance; but I furnish at the end of the month a certificate to the Audit-office, which entitles the accountant in his accounts to credit for the amount which is so required.

471. Does not your Lordship consider, that when a person paying in money to the Accountant of the Bank of England has a receipt from the cashier of the Bank of England in that form, he has a perfect discharge or acquittal to himself from any claim made against him for nonpayment of the particular amount?—I think it is not the same, or is not as effective as what he previously received. Here is the former mode of dealing with these matters of revenue which required specifications, as I said, and which it was the object of the Treasury Minute to simplify and reform; here was a direction that A. B., an accountant, was to pay a given sum into the Bank; at the bottom of that there was a receipt passed at the Bank to that accountant. This came to me at the Exchequer, being a receipt from the Bank that that sum had been carried to the Exchequer account; upon that I passed this acquittance, which was in duplicate, and of which I kept one portion, and the other was given to the party. That was a complete and entire acquittance to the party upon the following day of the sum that he had paid; whereas, under the present system, so far as the Exchequer is concerned (and it is to the account of the Exchequer that this money is paid), the party gets no acquittance from me at all, but I furnish a certificate to the auditor monthly.

472. He has a discharge of the money which has been charged against him from the Bank of England, and the money is placed to the Government account, for which the Bank are reponsible?—Yes; but to what account is not distinctly specified in reference to cumulative payments.

473. To the account of the Exchequer?—Yes; but under the former system, it being placed to the account of the Exchequer, he got the acquittance of the Exchequer.

474. So he does now?—No.

475. He gets a discharge from the Bank, and an acknowledgment that the money has been paid to the account of Her Majesty's Exchequer?—But in the former instance he got a receipt from the Bank, stating that the money was paid to the Exchequer account, and he got the discharge of the Exchequer, which was made by law a good and valid discharge to all intents and purposes.

476. I do not see what further discharge he wants?—I stated this, not as necessarily implying any insecurity to the accountant at all, but as withdrawing one discharge that the accountant had formerly. He formerly had two discharges; a receipt from the Bank of the money being paid, and upon that he had a receipt from the Exchequer that it was carried to the Exchequer account.

477. Mr. *Chancellor of the Exchequer.*] What was the advantage of a double receipt?—

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receipt?—Because my account is chargeable with it, and I think you ought to have my acquittance, to be a check upon myself. The Bank receipt is not the same discharge as my statutable acquittance.

478. Mr. *Wilson.*] Surely the only distinction is this, is it not, that formerly the Receiver-general of the Customs, before he could pay money into the Bank of England to the Exchequer account, had to send up to the Exchequer and receive a specification-paper; he then went to the Bank of England and received the money upon that specification-paper; he then went to the Comptroller of the Exchequer and received a discharge from him; at present he has simply to go to the Bank of England, pay in his money direct, and the receipt is made in duplicate; one is given to the person paying the money, which is a discharge to him for the time being; another receipt is sent to the Exchequer; and does not a memorandum go from the Bank of England to the Comptroller of the Exchequer of the amount paid in during that day which he is enabled to compare with the receipts which have been given by the Bank of England?—With respect to going to the Exchequer with a specification-paper, it was a most important and salutary change to dispense with that; but then we come to the operation subsequent to that. The Comptroller-general received, under the former system, the Bank receipt for which he gave the party an acquittance that did not necessitate coming to the Exchequer with the specification-paper, or any additional trouble to any party whatever, except my own signature to my own acquittance. At the present time the party himself may get a receipt from the Bank, though I doubt whether such is the unvaried course, or formed part of the new system, and the Bank in their letter to me of daily payments include what has been received from the several accountants, but (though the money received is put to my account) I never pass an acquittance to any one of those accountants at the present time. I get a certificate from the Bank, but there is no acquittance, though that sum is put to my account. I think the Treasury did quite right in the change they made respecting the revenue specification-papers. I think it is right to have the receipt of the Bank, if a duplicate of that paper was sent to me, which is not the case now; it is not a receipt to the individual parties; it is a memorandum from the Bank stating the transactions of the day, nor does it include the particulars expressed on the face of my acquittances. What I think would be an improvement without any additional trouble, except to myself, would be that when I have before me, as I had formerly before me, the certificate of the Bank that A., B., C., and D. had paid in to my account given sums, I should be bound to send back in my box the acquittances to those individuals.

479. Sir *J. Graham.*] If I keep an account at Coutts's, and direct a sum to be paid in to my credit with Coutts, Coutts gives me the acknowledgment of the party paying in, but does not expect me, upon a view of my bank book, to send in an acquittance also?—No; if in that respect the Bank is to be considered as the financial attorney of the Right honourable Member in receiving that money, the acknowledgment of the Bank is sufficient; but my department is a great department of account, and I think, both for the sake of the public and of the accountant, there ought to pass from me (up to this time there has uniformly passed) an acquittance to that party of the charge thereby created against myself.

480. Who is damnified from the want of the second document; the party paying in has an acquittance, has he not?—Upon the principle of the Bank of England giving that acquittance upon my behalf as agent to the Comptroller-general of the Exchequer, I am very glad to think that it should be the case. It saves me all the trouble of writing an acquittance; but I think the moment the Bank has assured me that that is passed to my account at the Exchequer, it would be more correct as a matter of account, that my acquittance should go to the party.

481. Mr. *Bowyer.*] Is not the system of taking an acquittance from the Exchequer itself, a remnant of the old system under which money was paid into the Exchequer; whereas now the money is paid into the Bank, and an acquittance taken from the Bank?—This acquittance was the acquittance recommended on the reform of the Exchequer, in which the old system of money payment was put an end to.

482. Was not that a remnant of the old system?—No; the Bank of England gets from me regularly an acquittance for itself. The Irish payments are all upon acquittance; therefore, you have two systems at work. The Bank of England never pays to my account any large sum on account of loans on deficiency

deficiency bills, &c., or anything else, without getting my acquittance; and I think the proceeding would be made more complete and accurate if that course was always followed.

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483. Mr. *Hankey.*] Is not your Lordship furnished with a daily statement of all the money paid in to your account at the Bank?—Yes.

484. Mr. *Chancellor of the Exchequer.*] Did anybody ever express a wish to have the additional document of which you speak?—Some of the parties paying have applied on the subject, and said, "Why are we to be deprived of the ordinary acquittance which we have been accustomed to have?" Assuming the Bank act on my behalf, as in the case put just now by my Right honourable friend, no doubt the Bank's acquittance is as good as mine; but make that a rule throughout the whole of the service, and I think you lose a kind of check upon my knowledge of all these things, and of my accounts being right. My acquittances are a check upon my accounts, and they contain details not included in the Bank receipt.

485. Sir *James Graham.*] When you receive the daily statement from the Bank, if there be any error in it, do you communicate it to the Bank?—Yes.

486. That covers every daily transaction as between you and the Bank, does not it?—Yes.

487. As between the Bank and the party paying in, the discharge of the Bank is a valid discharge?—Yes, I presume it is, but it is not explanatory.

488. At the commencement of your evidence to-day, you said there were three points which you wished to explain; while I was here you explained two; is there a third?—I have in my hand a paper which I gave in yesterday, that which I gave verbally, and perhaps you will allow it to be put in in evidence now.

Lunæ, 2° *die Junii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Sir Henry Willoughby.
Mr. Williams.	Mr. G. A. Hamilton.
Mr. Ellice.	Mr. J. M'Gregor.
Mr. Wilson.	Mr. Bowyer.
Mr. Cardwell.	Mr. Hankey.
Mr. Chancellor of the Exchequer.	Mr. Peacocke.
Sir James Graham.	

THE RIGHT HON. SIR FRANCIS BARING, BART., IN THE CHAIR.

The Right Honourable the Lord *Monteagle* of Brandon, further Examined.

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489. *Chairman.*] YOUR Lordship was asked upon the former occasion whether any complaints were made of the alteration in the receipt given with regard to the specification paper?—I was asked whether any parties had complained of being now left without a regular acquittance, which up to this period had been given to them from the Exchequer, and I was not able to give a clear answer to that question. I hold in my hand now a letter from the Corporation of London, of the 29th of April 1856. The corporation owe several debts to the public, 40,000 *l.*, 30,000 *l.*, 40,000 *l.*, 50,000 *l.*, 30,000 *l.*, and 50,000 *l.*, and several other sums likewise, and they are bound to repay them by instalments. Here are the instalments of the separate sums; those sums are paid through the Chamberlain, and he addressed a letter to the

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Exchequer on the 29th day of April 1856, in which he concludes in these words, " I have to request the favour of your Lordship furnishing me with the usual certificates of acquittance of the said payments."

[*The Letter was delivered in, and is as follows:*]

My Lord, Chamber of London, Guildhall, 29 April 1856.

THE sums of 6,000 *l.* and 4,150 *l.*, payable respectively on 1st December and 1st March last, to the credit of Her Majesty's Exchequer, on account of the Corporation of London, pursuant to an arrangement with the Commissioners of Her Majesty's Treasury, made 13th February 1835, having been severally paid into the Bank of England on the 3d of December and 5th March last; viz.:

Payments on the several sums under-mentioned, raised under Act 7 Geo. 4, c. 40, for rebuilding London Bridge, as follows:

	£.
On 40,000 *l.*, due 26 October 1855	1,000
„ 30,000 *l.*, „ 8 November 1855	750
„ 40,000 *l.*, „ 29 November 1855	1,000
„ 50,000 *l.*, „ 3 December 1855	1,250
„ 30,000 *l.*, „ 21 December 1855	750
„ 50,000 *l.*, „ 3 January 1856	1,250
£.	6,000

On 30,000 *l.*, due 18 January 1856	750
„ 30,000 *l.*, „ 20 January 1856	750
„ 50,000 *l.*, „ 5 March 1856	1,250
„ 20,000 *l.*, „ 20 March 1856	500
„ 20,000 *l.*, „ 22 March 1856	500
„ 16,000 *l.*, „ 3 April 1856	400
£.	4,150

I have to request the favour of your Lordship furnishing me with the usual certificates of acquittance of the said payments.

I have, &c.
(signed) *John Key,*
Chamberlain.

The Right Hon. Lord Monteagle,
&c. &c. &c.

490. Then we come to the receipts into the Exchequer through the Paymaster-general. Has your Lordship any statement of the receipts which come into the Exchequer, not through the revenue departments?—I have produced this return to the order of the Committee, being a return of all sums received at the Exchequer, other than from the revenue departments, in each year since 1848, showing from what departments they were received. This includes a complete answer to this question, and indeed goes beyond it. It is a very voluminous paper.

491. The heads of the receipts will at present do for our inquiry; and if I turn to the Exchequer balance sheet from your department, the annual account, that would give the heads of the monies paid in?—Perhaps the simplest way for the foundation of the reply that I am asked for, is to refer to the Treasury Minute of 1834, which was passed upon the enactment of the Exchequer Act, and laid before Parliament in pursuance of that Act. That Minute states the several accounts and public accountants which were created under that Act, and I will read a list, as fixed by the Treasury Minute of 1834; it is at page 28: "The accountants fixed in 1834 were the Paymaster-general of the Forces, the Treasurer of the Navy, the Treasurer of the Ordnance, the Paymaster of Civil Services, the Paymasters of Exchequer Bills, the Commissioners for the Reduction of the National Debt, the Master of the Mint, in relation to two accounts, the purchases of bullion, and the account of his establishment, the Bank of England, the cashier of South Sea Annuities, the Comptroller of Stationery, the Commissioners of Woods and Works, &c., since divided into two departments, the Agent for the Colonies, Chelsea Hospital, the Customs, the Excise,

Excise, the Stamps and Taxes, the Post Office, and the Insolvent Court; then follow parties paying in under imprest and in repayments of advances. That was the arrangement made at that period. I mean to give the Committee the whole of the parties with whom I am thus placed in financial relation. The first are those to whom credits will be issued: there are 12; and with regard to the remaining eight, with imprest, and payment of advances, their transactions are made public accounts.

492. I propose to confine myself to the payments into the Exchequer, and the receipts at the Exchequer: you receive 1 *s.* 6 *d.* and 4 *s.* duties upon pensions and offices; where is that paid?—That is paid in by the Inland Revenue Department.

493. "Surplus fees of regulated public offices;" there is a sum of 106,000 *l.* under that head as receipts: is that paid in by the revenue departments, or how?—You have put two things together; the surplus fees of regulated public offices, and some of them hereditary revenues, are paid in by the parties, and some by the Paymaster-general.

494. By what parties are the payments made?—The practice has rather varied of late; the fees up to a late period were, for the most part, paid by the parties or offices receiving those fees themselves. They are paid now for the most part by the Paymaster-general.

495. How are the hereditary revenues paid?—I believe there is a branch of these revenues paid by a gentleman of the name of Wilkin, as collector of small branches of the hereditary revenues. The imprests are paid by parties who are made public accountants under that head, but of late a considerable number of these payments come in through the Paymaster-general, and in Ireland through the Paymaster of Civil Services. With regard to sums returned by the trustees of the King of the Belgians, the agent of his Majesty, or the agent of the trustees, pays in those sums.

496. How is the produce of old stores paid in?—That is paid through the Paymaster-general; and I took occasion, from a question put to me, to look into that head of receipt, and I find that they are paid in with regularity, and I believe strictly according to the directions of the Treasury.

497. How often are they paid in?—Quarterly.

498. Take the Navy account; the sales of the Navy are paid in to the Paymaster, and then the Paymaster pays them quarterly in to the Exchequer?—Yes.

499. When the Accountant-general of the Navy pays it in to the Paymaster, is there any communication made to you of the amount paid in?—No, not of an official character. I do not know what the amount is that is paid in to the Paymaster officially; I may from knowledge of what was previously paid, and in some cases from actual knowledge of what ought to be paid, know it; but that is as a private individual; this does not however apply to the case of old stores; I have no official knowledge of it.

500. Do you know at all at the time when the payment is made?—No; in some instances I know the period when it ought to be paid by the Acts of Parliament under which such payments are receivable.

501. Confining yourself to the stores of the Navy, you do not know the amount that is paid, or the time at which it is paid?—No.

502. The payment is made at the termination of the quarter?—Yes; and I believe that to be regularly done under the authority of the Treasury. The Treasury Minutes on that subject will speak for themselves better than I can do from recollection.

503. How are the land revenues of the Crown paid; I see 281,000 *l.* under that head?—The land revenues of the Crown are paid by the Office of Woods, the original department of Woods and Forests being now divided into two branches, the Woods and Works; the Woods pay to the Exchequer direct; the Works, of late, pay through the Paymaster; but when the proposal was first made to me to receive certain monies relating to the work through the Paymaster, I objected to the change, inasmuch as the monies then in question were directed by statute to be paid to me by the Office of Works itself. There was a correspondence between me and the departments, which can be referred to, upon that subject, but finally it was adjusted by the amount being tendered by the Paymaster on behalf of the Board of Works, he acting as their agent, and my acquittance being given to him as such. The Act of Parliament was thus complied with, and I considered that no irregularity would recur; but within a short time after some of those payments

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have been brought in by the Paymaster without reciting that he paid it in on account of the Office of Works. Under the system of specification papers I should have objected to receive that money, not considering that it came within the terms of the Act of Parliament that the Paymaster should pay it except on behalf of those who were specified in the Act of Parliament as the right persons to pay; but under the new system, I mean the system which substitutes what are called receivable orders for the specification papers, I had no power of raising such an objection, for the payment had already taken place before this receivable order came to me. Under the old system the specification paper came first, and I had the power of objecting to any payment when I thought it came in an unauthorised shape; this occurrence may have been accidental—I know not whether it has been so or not—that the Paymaster has omitted to state that he paid on behalf of the Office of Works.

504. The alteration in the form of the specification paper has deprived you of what you consider a check upon the form of the receipt of money?—In that particular it did; but I think that such difficulty might be reconciled with the substitution of the receivable orders for the specification papers; I think the change requires to be revised and reconsidered by the Treasury, this check is one in which the Treasury are very considerably interested themselves.

505. By whom is the payment made in case of the East India Company?—It is paid on behalf of the Company by the cashier.

506. It is received direct from the Company?—Direct from the Company.

507. By whom are the unclaimed dividends paid?—By the Bank of England.

508. With regard to the repayment of advances on account of public works, by whom are those paid?—In Ireland they come through the Paymaster of Civil Services, the only Treasury agent we have in Ireland. In England some of them come from individual payers, under the head of "Repayment of Advances;" others come through a gentleman who represents the Exchequer Loan Commissioners; and some come from the Bank of England.

509. You stated that a good many of those payments are made through the Paymaster of Civil Services; has the system of paying through the Paymaster of Civil Services extended or diminished since you have been at the office?—That office now exists in Ireland only.

510. I now leave these particular cases, and I wish to ask you generally as to the payments of the Paymaster. Since you have held the office of Comptroller have the payments made through the paymasters increased or diminished?—The tendency has been the concentration of many payments into one office, that of the Paymaster; the system of payment through individuals and offices having been abolished, and the substitution of the Paymaster having taken place to a considerable extent in receiving money from parties previously bound to make payments to the Crown. It has been the employment of the Paymaster in paying over money to the Exchequer in the place of the more direct payments that used to come from special officers.

511. You have mentioned the Paymaster-general of the Forces, the Treasurer of the Navy, the Treasurer of the Ordnance, and the Paymaster of Civil Services; the payments that were previously made through all those departments, if any, are now consolidated in one Paymaster?—Those four offices are now consolidated by the 5th and 6th of William the Fourth, and subsequent enactments, which are recapitulated in the printed papers before the Committee; the duties are now performed by one officer; the office of Paymasters of Exchequer Bills was also abolished, and the duties transferred to the Paymaster-general. I have stated that the Mint keeps two accounts, one for bullion and the other for establishment. The account for purchasing bullion is still left to the Master of the Mint; the account of the establishment is transferred to the Paymaster-general. The Bank of England remains as it was. The cashier of South Sea Annuities was, I think, abolished on the termination of those securities. In the case of the Comptroller of Stationery the issues were formerly made to himself directly; there are financial duties which the Comptroller of Stationery formerly performed directly, which have of late been transferred to the Paymaster. The payments from Commissioners of Works are transferred to the Paymaster and pay in to me. The Agent of the Colonies is abolished. The Treasurer of Chelsea Hospital is abolished. Customs stands as it was. Excise, Stamps and Taxes are consolidated into the department called the Department of Inland Revenue, and the payments are continued from the Receiver-general of that revenue. The Post-office continues as formerly. With regard to the Insolvent Court, a public account

account subsists. In respect to repayments and imprests, many of those that the Chairman has asked me about are persons receiving money in the first instance, but becoming accountants in its repayment; issues are made to them, but they become accountants in many instances in repaying them, and therefore come under this head; the imprest and repayments of advances are mainly in the hands of the Paymaster-general. You will see in the finance accounts the head of "Repayment of Advances."

512. We will take the Navy payment as an instance: am I stating it correctly that the Navy payment would be made to the cash account of the Paymaster-general; the Paymaster-general would transfer it to his drawing account; at the end of the month he would transfer it from his drawing account at the Bank to your account at the Bank, and it would come into the Exchequer in that way?—I have no personal or practical knowledge of the details of the Paymaster's duties; better information may be had from the department itself. But from the official papers I shall try to answer. The Navy payment assumed to exist in this question would be paid to the Paymaster-general's cash account; it would then be transferred, as I conceive, to his drawing account, and from thence, but whether at the end of the month or not I cannot tell, it would be paid into the Exchequer. I have no relation as a matter of direct control except with the Exchequer account. To that account only all payments are carried on which I am authorised to grant credits to the paymasters or to others, after having satisfied myself of their legality, and of the lawfulness of the Royal Orders, Treasury Warrants, and issuing letters which I receive. That Exchequer account is under my individual dominion; but over the Exchequer credit account, the drawing account, and bill account, I exercise no official control whatever. Of the cash account I know absolutely nothing, nor of the drawing account, which is recited from the cash account. I therefore cannot answer for the transactions of the Pay Office, except with hesitation; the heads of that department are better informed than I am. But I have endeavoured to explain how the payments received by the Paymaster are transferred to the Exchequer account, where alone my control becomes applicable, and my responsibility to enforce a Parliamentary appropriation attaches.

513. You know the regulations that are issued under the Exchequer Bill, and under the Paymaster's Consolidation Bill?—Yes, I have read them; I was in the Government of Lord Grey at the time that the first minute issued, in 1834; but I was at that time Secretary of State for the Colonies; other minutes have issued since, and I have read them. The Minute of 1836 was issued when I was Chancellor of the Exchequer.

514. In this case a payment is made in to the credit of the Paymaster-general from the Navy, and he transmits it again to the Exchequer?—Yes; take, as an example, a payment made by the Navy for old stores; those payments go in to the second account, or what is called the cash account of the Paymaster-general. I know not how such payments are received or issued; but that account, together with the proceeds of the Exchequer credit account, may be alike transferred to the drawing account and to the bill account, and over those two accounts the Paymaster has a full right of action himself. There is no action of the Exchequer which interferes with those accounts even in respect to monies which the Paymaster is bound to transfer to the Exchequer.

515. Having come into the cash account, it is transferred either to the bill account, or to the drawing account, and from those it is transferred to the credit of the Exchequer?—Taking the case of old stores, or the payments from the Office of Works as a further example, their proceeds would be paid necessarily into the cash account; it would next be transferred to the drawing account, and from the drawing account it would be paid ultimately to the Exchequer.

516. Does your Lordship see any great advantage in the payment being made to the Pay-office by the Navy instead of being made direct to the Exchequer?—With respect to the Navy, I see there may possibly be some advantage if the Paymaster has any means of ascertaining that the payment tendered by the Navy is what the Navy ought to furnish; but, as a matter of account, so far from seeing any advantage that it should go in that way to the Paymaster, I see every possible disadvantage connected with it. It is delayed in its progress to the Exchequer, and I know not how long it remains in the Paymaster's hands.

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517. Is it not making the Paymaster's office an office of receipt as well as of payment?—As far as it takes into the Paymaster's account monies which are delayed in reaching the Exchequer, but which properly ought to come to the Exchequer whilst they remain with the Paymaster, the whole Exchequer control is lost. The Comptroller of the Exchequer knows nothing about the cash account. It may be spent in any or all purposes, at the will of the Paymaster, without legal sanction, so far as the Exchequer control is concerned. It is true that the Comptroller receives it subsequently, but whether it is right or wrong he has no means of judging; and as far as I can judge from the accounts that come before me, this complex system of paying public money received from public accountants through the Paymaster, leaving it a question how and when they are to be paid to the Exchequer, is a great complication; it wholly destroys the constitutional check, necessarily and inevitably delays the public money in its progress to the Exchequer, and endangers the obligations of the Appropriation Act.

518. Under the Bill in which those regulations were first framed, I mean the regulations for the Pay-office, at that time those repayments did not go into the Exchequer; is not that so?—Yes; originally there was a different system with respect to old stores in different departments; in some cases the amount was deducted from the next year's estimate; there were different ways of paying; it was complicated. The present system has been a great improvement. There is now one principle established throughout the whole of the service.

519. Originally the sum in some shape or other was deducted from the votes of Parliament, was not it?—Yes; I believe not uniformly; it was sometimes deducted from the votes of the year; in other cases I think it was postponed till the next year; but that is immaterial; it was deducted one way or the other from the votes of Parliament. It was at more remote times the source of misappropriation, so far that pensions have been charged upon it.

520. Under those arrangements, therefore, before this alteration carrying the whole of those repayments into the Exchequer, it was absolutely necessary that they should be paid into the Pay-office, as it was not able that they should be paid into the Exchequer; was not that so?—The Minute is at page 29, "My Lords are quite aware that the more simple process would have been, to throw the amount of these cash receipts for old stores, rents, repayments, &c. into the Exchequer, and to issue them by credits from that account to the several departments; but such an arrangement cannot be effected without a special provision afforded by Parliament, and it would moreover be inconsistent with the financial arrangements for the current year, in which the estimated produce of such cash receipts are deducted from the estimates of the Navy and Ordnance expenditure."

521. I apprehend I am correct in saying that that difficulty of a special provision afforded by Parliament has been removed?—It has been removed.

522. That difficulty having been removed, and likewise the estimates of the year having been framed according to the new system, does your Lordship see the slightest objection to adopting that which it was stated at that time would have been a more simple process, namely, having all those payments made direct to the Exchequer?—I should myself see no objection, certainly; on the contrary, I was a party to this Minute, and, so far as I recollect, I believe that the objection then felt was a temporary one, which has since been removed; and I may say, as a general principle, that I think the principle ought to be that all those payments, not only of old stores, but of other sums paid to the cash account of the Paymaster, ought to be made direct to the Exchequer, unless there be a strong and conclusive reason to the contrary. The Paymaster is, as his name imports, and ought to be, the disburser of monies passed into his account issued from the Exchequer, after there has been a revision, and a judgment exercised, to ensure the legality of its issue, to mark its Parliamentary appropriation. Everything paid into the Paymaster's account which is not an Exchequer payment alters the character of the office of Paymaster; he becomes a great officer of receipt, which he never was intended to be, as well as an officer of disbursement, which he was intended to be; and as an officer of receipt of money other than from the Exchequer, he is freed from the responsibilities which, rightly or wrongly, Parliament has imposed upon the disbursement of the public revenue by the Exchequer check for the enforcement of the Appropriation Act.

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523. Mr. *Bowyer.*] Independently of the question of the Exchequer control, does you Lordship think it important that the function of receipt should be kept entirely distinct from the function of payment?—I think that that is a great object in relation to the correctness of all systems of account. I believe that every gentleman round the table in going into his banker's house finds that he gets an order for money separate from the department of the Bank that receives lodgments; at least in well-managed establishments I believe that would be the case.

524. That was a principle very much insisted upon, was not it, by Sir Henry Parnell?—Undoubtedly, it is the general principle. Whether as Paymaster-general in some of his Minutes he might have expressed a necessity for modifying it in any respect, I cannot immediately answer; but his works upon that subject are accessible.

525. Sir *Henry Willoughby.*] Is it your opinion that all receipts could be removed from the Pay-office?—To answer that question I must be aware of what all those receipts are; I have no knowledge of that fact, and therefore, not having any knowledge, I can neither exercise a check in this respect nor state an opinion. The general rule should be to limit his receipts to the issues made to him from the Exchequer.

526. Does not it occur to your Lordship that your office has not an official knowledge of what passes in the Pay-office?—The law does not give me such knowledge. If the present system be continued, my office has not sufficient knowledge of what passes in the Pay-office, but the remedy strikes me as being, not so much in giving to the Exchequer more knowledge of what takes place in another department than it now has, but in removing from another department duties that do not belong to it, and which cannot be assigned to it without a sacrifice of more important public interest.

527. I understand your distinct opinion is, that the power of receiving money should be taken from the Pay-office on principle?—Assuming that there may possibly be some few exceptional cases, of which I know nothing, but, on general principle, I think the reason of the case is to constitute the Paymaster a public officer, receiving no money the legality of which has not first been ascertained by an independent authority, and bound to disburse that money with which he is charged according to the Parliamentary appropriation fixed by law, and for which a grant has been made, and applicable to no other use. I do not think, on principle, that he ought to receive a farthing beyond that. There may be particular cases of convenience that, as exceptions, might overrule that principle, but I am not aware of them, and they should be specially provided for.

528. Who is the responsible officer in the Pay-office when you have transactions in that office?—The head of the office is the Paymaster-general; but the practical duties of the office are performed, in the present instance, by a very able public servant, called the Assistant Paymaster, but whose functions, in one respect, I have felt it my duty to refuse to recognise. One important duty of the Paymaster is to receive from the Comptroller-general the largest amount of public securities completed, and in a negotiable state, that is passed into the custody of any individual; I mean the Supply Exchequer bills. In relation to this enormous responsibility, I have refused to act except on the vouchers of the Paymaster-general himself. I refused to accept the receipt tendered to me by the Deputy Paymaster for those bills, which at that exchange amounted in the single delivery to 9,168,900*l.*; I then required the receipt of the principal of the office; I obtained it; but in other respects I understand the deputy acts for the principal.

529. In the various statutes relating to the Paymaster-general's office there are various duties stated to be performed by the Paymaster-general; so far as you have any connexion with the Pay-office, are those duties performed by the Paymaster-general?—So far as I am concerned, they are exclusively performed by the Deputy Paymaster-general, with the single exception which I have named; I will not pay over that great amount of Exchequer bills till I first obtain the receipt of the principal, signed with his own hand.

530. Mr. *Cardwell.*] In point of fact, that makes no difference; probably the administration of the money is just the same whether you insist upon the receipt of the principal or take that of the assistant?—Probably the receipt may be exactly the same in law; of this, however, I am not informed. It may

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be received precisely with the same responsibility; still I felt that I was exercising a due caution in requiring the Paymaster's receipt.

531. Sir *Henry Willoughby.*] Did you say that you have no knowledge officially of the various receipts by the Paymaster-general?—None whatever, except those I make to him or receive from him; the law gives me no further knowledge, and so far as the question refers to receipts by him from other parties, I know nothing of it; and in respect to the disbursements of those receipts, except so far as a payment passing to myself, I know nothing about them.

532. Mr. *Williams.*] I understand it to be your Lordship's opinion that all public monies should be paid direct into the Exchequer by the parties who receive them, and not through any other channel, such as the Paymaster?—I have already stated my opinion with respect to the revenue departments very fully; therefore assuming that this question applies to all other parties but the revenue departments, I repeat the principle that I have applied to the revenue departments; that is the general principle, that money ought to come into the Exchequer and ought to go out of the Exchequer. I object to the interposition of the Paymaster in such a case, more especially as these receipts lead to unauthorised disbursements, freed from the Exchequer check and from the Parliamentary appropriation.

533. Mr. *Chancellor of the Exchequer.*] You state that the practice of the Exchequer is to take a receipt from the Paymaster himself in the case of Exchequer Bills, but from his deputy in all other cases?—I think in one instance, with respect to Exchequer Bills, there was a special authority brought for the deputy to sign, but that was exceptional.

534. What is the reason for requiring the receipt of the Paymaster with regard to Exchequer Bills and not requiring it in other cases?—I require from him no discharge in any other of the duties that he is called upon to perform; he is not in relation to me in the way of requiring a discharge from him; but in the Exchequer Bill issues, I pass to him the largest amount of negotiable paper payable to bearer that I issue under any circumstances whatever, and I think the issues a matter of so much importance, that it is my right to enforce, and I have enforced it, the receipt of the principal; I had the full power in that case, because my answer was, that I could not deliver those Exchequer Bills to any one but to the Paymaster-general, or on his receipt.

535. Mr. *Williams.*] Are the Treasury Minutes authorised to be issued under the authority of Acts of Parliament?—The authority under which Treasury Minutes are issued are very multifarious indeed; many of them are issued under Act of Parliament; but the functions of the Treasury are so varied, that if there was not a power of directing by Minute (and the Board can only speak by its Minute), even in circumstances in which there is no Parliamentary authority, the public business could not go on for half an hour. This use of Treasury Minutes I believe to be strictly according to law. Minutes frequently require more formal instruments, called warrants, to carry them into effect.

536. I refer to such a case as the commutation of those pensions that have been so much discussed before the Committee; had they the authority of an Act of Parliament for issuing a Treasury Minute for such a purpose as that?—The Lords of the Treasury have a general legal authority for issuing Treasury Minutes; how that is to be applied, whether right or wrong, depends upon the application of the power. I can only refer the Committee to my former evidence with regard to the question now put. In the case of the pensions commuted, I am not competent to express an opinion of its legality; but the power of the Treasury, giving its directions by Minute, which purports to be a Minute of the Board of Treasury issued by a quorum then and there present, directing that Minute for the public service, it is a right which has never been questioned, and which is absolutely necessary for the public service, with or without an Act of Parliament. There are certain acts of the Board of Treasury which require a warrant; but that warrant rests on the authority of a Minute.

537. Are those Treasury Minutes ever laid before Parliament?—To a very great extent they are, sometimes when they are called for, at other times by statute.

538. Not as a matter of course?—Not uniformly; I believe Parliament would receive very little edification from a great number of them; everything passes by Treasury Minute, from the smallest transaction to the greatest.

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539. Mr. *G. A. Hamilton.*] Has not the Treasury an inherent right of controlling and regulating the public revenue, subject only to the special control which may have been imposed by Act of Parliament?—The powers of the Treasury for revenue purposes are, I take it, common law powers, at least they are not uniformly resting upon any statute; they are the usage which is the unquestioned right of the department, subject to Parliamentary authority, and subject to control of law if exercised improperly. Every Treasury letter presupposes a Minute.

540. Mr. *Chancellor of the Exchequer.*] The powers of the Treasury are derived from a patent which puts in commission the powers of the Lord High Treasurer?—Yes.

541. The Lord High Treasurer was an ancient constitutional officer, having very extensive powers over both revenue and expenditure?—Yes.

542. Whatever powers the Lord High Treasurer formerly possessed are vested in the Lords of the Treasury?—Yes, unless modified or controlled by Act of Parliament.

543. Mr. *Cardwell.*] Is not it just this, money being voted by Parliament is voted to the Crown, the Crown gives the money to its Treasurer to dispose of, and the treasurership being in commission, the Board of Treasury have that power?—Yes.

544. Mr. *Wilson.*] We have been discussing hitherto the question of receipts into the Exchequer to the Paymaster, other than those paid by the great revenue departments directly to the Exchequer; am I correct in saying that those receipts consist altogether of the small sums of money which are received by the departments of expenditure in repayment of old stores, for rents, and for a variety of small matters which do not constitute any portion of the public revenue?—That is not so; there are branches of revenue that are paid through the Paymaster to the Exchequer, and those are branches of absolute revenue, and nothing else.

545. Will you state what those branches are?—I do not, of course, say that I can give you all, but I will give you a sufficient number. We will take the hereditary revenue from Scotland; that is hereditary revenue that used to be paid direct to the Exchequer; it was paid punctually and accurately, and there was no complaint that I was aware of. By a late regulation that revenue is paid through the Paymaster, and the result is that, though I have no doubt it ultimately comes all right, it does not come in with the same despatch and accuracy as previously; and by those and similar payments a balance is accumulating in the hands of the Paymaster, to his cash or drawing accounts, which he has the power to use as he thinks fit, and the repayments are not made to the Exchequer at the time when formerly they would have been made.

546. Can you tell the Committee the amount of those hereditary revenues for any one year?—No, I cannot give you the amount; but there is now on the table, in a return the Committee have called for, an account which I have presented of all payments to the Exchequer, other than through the revenue departments; therefore that return will show you everything that has been paid to the Exchequer through the Paymaster, but not all that he has received, the time it has been in his hands, nor the uses to which it has been turned by him. This would make the account complete. I can show some instances which deserve attention. I will take this as an example: you have payments to receive for London Bridge, which become part of the revenue; you have lent the Corporation of London a given sum, and the repayments of that sum, which are very considerable, are as much a part of the revenue as the Customs, and the Post-office, or the Excise. If you mean to inquire whether the revenue of the Customs, Excise, and Post-office or Stamps, is paid through the Paymaster-general, the whole of my evidence excludes that altogether: but I refer to other sources of receipt. Take the department of Works: by your order the proceeds of the department of Works, whatever they may be, go to the Paymaster. My humble suggestion is, that for the reasons I have stated already, they have no business to go there, but that they ought to go direct to the Exchequer.

547. The descriptions of receipts received by the Paymaster are of two kinds; they are first, the repayment of monies which have been issued as imprests to one department and expended for another, and they are payments of moneys which have been received by the various departments of expenditure for various objects?—I doubt this, for example, I cannot see that I could bring

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the Scotch payments that have been formerly made through the Lord Treasurer's Remembrancer under either of those heads. Payments of hereditary revenue of any kind during Her Majesty's life are as much part of the public revenue as Customs, Excise, Post-office, and Stamps. The payment of those sums into the Paymaster as of fines and forfeitures, or Crown rents, is a payment of revenue in the strictest sense of the word, and should be paid direct to the Exchequer.

548. We will take the example which the Chairman has argued upon, namely, the repayment into the Exchequer of the produce of old stores; that repayment is made, in the first instance, by the department which sells the stores to the Paymaster, and is periodically passed into the Exchequer; is it not the case that those sales of old stores take place all over the world where there are naval establishments, and are made in very small sums, or in very large sums, as the case may be, and at different times, and in very different places; if the principle for which you have contended of paying all those sums direct into the Exchequer were adopted, would it not be necessary that the whole of those sums of money for which the old stores are sold, all over the world, should be remitted in the first instance to the department in London, in order by them to be paid direct into the Exchequer?—I presume that course might be necessary, in order that the Naval Department should exercise a control over the funds realised by old stores. I must believe that this function is now exercised by the Admiralty. I presume it is not the Paymaster that determines whether the right amount of navy stores is remitted or not; but that it is the Admiralty which, knowing the sales, has a professional knowledge and power of supervising the amount of those sales; when the Admiralty has done that, I think there ought to be no delay in passing the proceeds of those stores so ascertained to the Exchequer account, because if you pass it into the Paymaster's account, that unappropriated balance whilst in his hands may supply the means of issue independent of any control or legal authority whatever.

549. Are you not aware that, in point of fact, those sums never constitute a balance in the hands of the Paymaster at all, but are purely a matter of account?—I know this, that there is in his two supply accounts, one account for receipts from the Exchequer, and another his cash account, showing receipts from all other sources. I know not with certainty how that second account is recruited, but if the Treasury Minute is carried into effect, every single sum which he receives, other than from the Exchequer, must go to that account. I know further, that when it is placed to that account, he has an unlimited power of taking it away to his drawing account, and that being in his drawing account, he can draw upon it for any purpose which he thinks fit.

550. My question is this; is it not the case that in these adjustments of account no payment of money takes place at all; take the case of the navy. Suppose the navy had to repay 100,000 *l.* for old stores, is not the practice this; that the accountant of the navy sends a note to the Paymaster's-office, and states that he has to account for 100,000 *l.* worth of stores, no payment of money takes place, but the 100,000 *l.* is put to his debit in the Paymaster's book as if it had been an issue to him, and at the end of the quarter he actually receives from the Exchequer a sum of money upon the naval account in order to balance that transaction; and it stands as a debit in the Paymaster's books the same as if it had been issue of money?—It stands to his cash account, over which cash account, it not being the working account but what is called the supply account, he can only operate by transferring to the drawing or bill account, as he has the full power of doing, any sums whatever that stand to that cash account; he therefore gets the dominion of that money, and from his drawing account he can issue it without any Parliamentary appropriation or any Exchequer control. During the time that it stands to the cash account it is entirely at the control of the Paymaster, to be placed by him to the drawing account, and then drawn upon for any purpose that he thinks fit, in employing those balances for one unauthorised purpose, trusting to what the honourable gentleman has described as a readjustment of the account at a future time, is what I have taken the liberty of suggesting to be of more than doubtful legality, and of certain public inconvenience.

551. Is not the form in which old stores are accounted for as follows: the Navy having received certain sums of money for the sale of old stores, inform the Paymaster of that fact, and request him to put that sum to their debit in account;

account; he debits their account, and passes to it, as an opposite entry to his cash account in the Bank of England, and thereby the credit of the Navy, standing with the Paymaster-general at the moment, is diminished to that extent, and his cash account in the Bank of England is increased to that amount. At the end of the quarter he adjusts all those payments by paying from the cash account into the Exchequer the sums which ought to go for those repayments?—I presume, from the knowledge and experience of the honourable gentleman who puts the question, that he has rightly described the mode of proceeding: I am not able, from my own knowledge, to affirm or negative it. The principle seemed to me to describe the principles that would be realised, and against which I protest; but my objection is, that during a considerable time, the Paymaster is enabled by this process to hold at his command a large sum of public money free from the control of Parliamentary appropriation, free from the control of the Exchequer itself; and that this is proposed to be set right ultimately by what is called the rectification of accounts, endeavouring to make things right which in origin and progress are wrong.

552. Is it not the case that by every Treasury minute which has been passed since 1834 down to the present time, and even before that, the Paymaster has been enjoined to exhaust his cash account before he draws upon his Exchequer account?—There are such directions given.

553. Has not the object of that regulation been to spare the Exchequer account as much as possible, in order to conduct the business of the country with as small an amount of money as may be possible?—Certainly that was the object which I always had in view in contemplating these arrangements.

554. Will you have the goodness to explain to the Committee what difference there is in the power of control of the Paymaster over moneys which are at that cash account and over credits, which have been already granted by the Exchequer?—The difference seems to me to be immediate and clear; not one single sum at the Exchequer account goes into that account, except under a specific Parliamentary appropriation; what he receives from other sources is received without Exchequer control, and relieved from the strictness of Parliamentary appropriation. When transferred to the drawing account, it forms part of a common balance.

555. My question is this: what is the distinction in the control which the Paymaster has over the cash account which stands in his name at the Bank of England, and over the credits which have been raised upon the Exchequer account, which also stand in his name at the Bank of England?—His control over both is precisely the same with respect to the obligation of attending to his orders when they are issued, but the one is subject to a Parliamentary appropriation, and the other is not; one is subject to the Exchequer control, and the other is an unappropriated balance, which I think was never contemplated by the law in respect to the Paymaster's office, with the exception of its connexion with extraordinaries and civil contingencies.

556. I have asked with regard to those sums which have been placed under the Paymaster's control upon Exchequer credits from the Exchequer; is there any control in the Exchequer upon those sums after those credits have been granted?—None whatever; but I have a knowledge of how they are drawn upon, and if I am to presume that there is no control in law when an appropriated sum is placed in the hands of a public officer for a specified service, and no other, then there is no difference between the one account and the other; but in the one instance, namely, the Exchequer credit account, it is an appropriated sum, in the other it is an unappropriated sum, and it is in the case of the unappropriated sum that I see the danger to arise; even if ultimately rightly placed to an authorised account, during the interval before it is so placed it is at the command of the Paymaster. It is of this I complain.

557. Is there not the same check of the Treasury over the Paymaster's transaction, with regard to the cash account, as there is with regard to the Exchequer credit account, upon which the Exchequer has no control?—The Exchequer has no control, but the law has a control, by enacting what use is to be made of that money. The unappropriated monies, which come in from various sources in an increasing ratio year by year, are sums which are free from that control.

558. Has not the law the same control upon the cash account, inasmuch as it is a distinct regulation that the two portions of which alone that cash account consists, that is the repayments of imprest moneys, and which can only be

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applied to the services for which they were originally granted, and the receipts for rents, old stores, and a variety of minor purposes, which must be paid periodically into the Exchequer; is not the same Treasury control, without the control of the law, applicable to that account as is applicable to the Exchequer credit account?—I do not think that it is so in some respects; in some portions of the public account the effect would be totally different. But I prefer a distinct Parliamentary appropriation to any reliance on what the question describes as a Treasury control. A person receiving money to pay a particular sum for a particular service is subject to a clear distinct obligation, which is notorious. A man having an unappropriated sum which he may or may not apply to any particular service, is in a different position. Undoubtedly if he misapplies anything he is guilty of an offence; and I hope I need not say that I am not imputing what is called, in common parlance, misapplication of public money to any one; I am discussing the question of a bad system destroying the present force of the law of appropriation, and depriving Parliament of its control over appropriated money.

559. Does the law provide or contemplate that there should be any control whatever except the Treasury control, as administering the law over any sums of money which have once issued out of the Exchequer, or upon which Exchequer credits have been granted?—The question does not, I presume, refer to the subsequent audit: over money not in the Exchequer I have no control by law. The control does not rest with the Exchequer then; the obligation devolves upon another party; but if money which I transfer by credit from the Exchequer from the revenue payments, as an example, was to be applied, not to the purpose for which it was specifically issued, but we will say, to pay the accounts which are now depending between the public and the East India Company in relation to the China war, that would be a misappropriation, in my judgment, and an impeachable offence.

560. Would it not be simply an abuse of the power of the Executive Government in applying moneys for purposes which have not been recognised or authorised by Parliament?—That I consider, on high Parliamentary authority, to be an offence of the highest description, and a violation of the Act of Appropriation.

561. Would not the power of the Treasury be equally great to direct that a payment of that kind might be made out of Exchequer credits as out of the cash account?—I do not think it would be the same thing; such payments must go to the drawing account; the Exchequer credit is issued under the Appropriation Act; not one farthing can come out of the Exchequer to the Exchequer credit account without a distinct reference to the Act of Parliament under which it is issued, and the use for which alone it is to be applied; it is to that use and that use only to which it is legally applicable; if there is any unappropriated money at the disposal of the Treasury, the Treasury may possibly make a bad or a good use of it under their responsibility; but however culpable, as an abuse of their discretion, that might be, they would not commit the Parliamentary offence of having obtained money from the Exchequer for one specific purpose and applying it for another.

562. Suppose that the Navy Estimates amount to 10,000,000*l.* a year, have you at the Exchequer any control over that money beyond the fact that 10,000,000*l.* may be issued upon a Royal order and a Treasury warrant for the uses of the navy?—That is my function; with that function my duty begins and ends.

563. Suppose that an issue was ordered of 2,000,000*l.* for naval purposes to the credit of the Paymaster at the Bank of England upon the Exchequer account, would there not be a sum of 2,000,000*l.* standing to the credit of the Paymaster at the Exchequer account at the Bank of England, which he could operate upon without your knowledge or any control that you could possibly exercise over him?—He could not operate on it without my knowledge. The daily returns from the Bank give me information that the whole amount, or any part of it, has been withdrawn from the Exchequer account. Thus far he could not operate on the Exchequer account without my knowledge; but if I am called upon to assume as an hypothesis that the money which has been issued distinctly for that purpose and received for that purpose is to be applied for another, that might be done without my knowledge, but I have said I consider that to be an impeachable offence.

564. *Chairman.*] Could he operate upon it without your knowledge?—He could

could not operate upon the Exchequer credit account without my knowledge. Whether it is upon the Exchequer account or upon the Exchequer credit account, which still stand as connected with the Exchequer, though transferable by the Paymaster to his drawing account, he cannot withdraw that sum from the Exchequer account without my knowing it. I know the exhaustion of the Exchequer credit account as well as the exhaustion of the Exchequer account properly so called.

565. Mr. *Wilson.*] The knowledge which you have is simply in the nature of an intimation from the Bank of England of the extent to which the credit has been used, but you have no knowledge and no responsibility and no control over the purposes for which it is used?—Certainly not; the law gives me no further power; therefore any abuse that takes place after the transfer is an abuse for which I rejoice to think I am not responsible.

566. You hold that the department to whom Parliament granted the money is solely responsible to Parliament for the proper use of that money after it is out of your hands?—Assuming the proper use to be applying that sum for the purposes for which it was issued and was appropriated by the law, the department is responsible to Parliament, and I presume to law also.

567. Then what distinction do you draw between the cash account and the account of which the Paymaster has the control equally upon the Exchequer account after you have granted those credits?—I have in the one case a direct and positive knowledge of the purposes for which that credit was drawn for which it was voted, and in respect of the other I have no such knowledge; but in the former case the Parliamentary appropriation is specified, in the latter it is not.

568. You have a knowledge with regard to the other that there are legal purposes for which it has been received, and legal objects to which it must be applied?—With respect to the cash accounts I have no such certainty at all. I can give an instance: monies are issued to the cash account, which are applied not for purposes that are useless, not for purposes which may not afterwards be rectified, but for purposes which at the time of their being so applied are not legal, because they have no legal authority.

569. Might not the same use of the money be made upon the Exchequer credit account?—If the Exchequer credit was drawn upon, I should know to what services it was legally applicable. The same abuse might possibly exist, but it would constitute an open and wilful offence in that case.

570. Mr. *Cardwell.*] Is not your objection this, that during the current quarter the Paymaster-general has at his disposal a larger sum than that which the Comptroller of the Exchequer has issued?—Certainly; and to an extent that I am not aware of, and not limited by the same specific Parliamentary appropriation which applies to the Exchequer credits.

571. Mr. *Williams.*] I understand the question of old stores to stand thus: that money is received by the Admiralty, which, periodically, the Admiralty pays in to the Paymaster-general, and the Paymaster-general pays it quarterly into the Exchequer, or accounts for it in some way or other; now what check is there, on the part of the Admiralty, knowing that the Paymaster has paid in the proper sum to the Exchequer?—I know not what check the Admiralty has, but I have no legal authority in the case. I know that in cases when it is due, and paid over, I give a receipt for it.

572. Mr. *Wilson.*] Are you not aware that the statements of these accounts go to the Commissioners of Audit, who have a check upon all these accounts?—I replied only in respect to my own power; the Commissioners of Audit have a power of a different kind, which relates to the disbursement; and I know not how the powers of the Commissioners of Audit would apply in cases where the Paymaster being in possession of unappropriate moneys for a given time, expends these moneys on a particular service, and afterwards rectifies his account by making new entries. I do not know whether the principle of audit is applied to the real account of actual pay, or to an imaginary account, after what is called rectification.

573. Mr. *Williams.*] What convenience is there in passing this money for old stores into the hands of the Paymaster instead of paying it direct into the Exchequer?—I am not aware of any; I have stated the inconveniences arising from it; I do not see the advantage.

574. Mr. *Chancellor of the Exchequer.*] Is it your statement, that the present practice is defective, as being a departure from some better practice which formerly prevailed, or do you consider that the present practice is as good as

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any former practice, but that it ought to be amended?—I think the present practice differs from the former practice by a great and a growing extension of the application of a dangerous principle. I think that the present state of the Paymaster may well be compared with the previous state, and that the comparison of the two would be greatly to the disadvantage of the present practice, that disadvantage arising mainly out of the perversion of the principle of the consolidation of the pay-offices, which placed the pay department in the hands of a single individual, whereas previously it was in the hands of four, and I think that the four were a protection, because under the former system, no application of Army, Navy, and Ordnance Votes could take place by forming and coming indiscriminately from one common balance.

575. That consolidation took place about the year 1834?—It was in 1835, during my own connexion with political office, that the first consolidation took place, and I quite approve of the principle still, but a consolidation of office and a confusion of accounts are two totally different things.

576. Was the present practice with respect to this class of payments introduced at that time?—I must divide the question into two parts, the consolidation of Army, Navy, and Ordnance, and the service of those consolidated offices, with the office of Paymaster of Civil Services. The first took place in 1835. The second was effected by the Act of 11 & 12 Vict. c. 56 in 1848, long after I had resigned the office of Chancellor of the Exchequer. When the first consolidation took place, Mr. Sargent was Paymaster of, what were called, Civil Services, and he was also the Paymaster of what remained of the Commissariat Chest or Army Extraordinaries and of Civil Contingencies; therefore in relation to Mr. Sargent's office it was to be discussed in itself, he disbursing appropriated and unappropriated sums. In relation to the three great offices of pay, no possible confusion could have arisen at that time. The Paymaster of the Army could not pay for the Treasurer of the Navy or the Treasurer of the Ordnance, nor could the other pay offices supply any service but their own. But having the three offices united, your practice has produced a confusion of account and a larger balance than was held by any one individual in the three departments; and when I tell you that the balance at the close of the last quarter on Exchequer credit accounts, which might be all operated upon by the Paymaster himself, amounted to 1,400,000 *l.*, you will see that at no previous time was such an amount at his command.

577. What was the practice previously to that change with respect to the payment for the produce of old stores?—It was a very bad system, for which the present system is a great improvement. There were different systems in different departments; at one time the old stores were made the foundation of grants of unauthorised pensions; pensions were granted upon the old stores; I think the present system is a great improvement.

578. You consider that the present practice with regard to that class of payments is better than any previous practice on the same subject?—Certainly, my objection being only to a want of check upon the Paymaster, or the department who ought to be bound to pay that sum, which is in point of fact public money unappropriated; they ought to pay it, *quam celerrimè*, into the hands of the Exchequer.

579. Is that the whole of the change which you would recommend?—With regard to old stores, I think it is; for, as far as I understand, I think the Government in all respects have improved the system.

580. You think that there is a delay in the payment of the produce of old stores into the Exchequer?—My objection is not only as to the delay, but I object to placing in the hands of any officer holding during the pleasure of the Crown a great command of unappropriated money; I say that this is not according to the constitution of England, nor is it consistent with the principles which Parliament has laid down.

581. Would you recommend that the Admiralty should pay at once into the Exchequer the produce of old stores without passing through the Paymaster?—Certainly.

582. Is that the whole extent of the change that you would recommend?—In relation to this object, that is the point to which I invite the attention of the Committee.

583. Mr. *Wilson.*] As a consequence of that, would you recommend that in the case of the whole of the naval departments throughout the world, where the produce of old stores, or receipts for rent, or any other purpose, are received, all

all those sums of money should be sent to the head office of the Admiralty in London, and paid by the head office direct into the Exchequer?—How those small sums are now collected I am not prepared to say, but I presume they must be paid in some way through the Admiralty, and that the Paymaster cannot receive the amount of the proceeds of Admiralty stores except upon Admiralty responsibility. I only suggest that the law would be best carried out if, in the place of transferring those monies to the Paymaster without appropriation, the Admiralty should transfer the monies to the Exchequer, thus subjecting them to a legal Parliamentary appropriation.

584. Would it not become absolutely necessary, as those monies arise from sales all over the world, that those monies should be transmitted to the Admiralty, if they are to be transmitted by the Admiralty into the Exchequer?—They ought to be transmitted to somebody responsible for the correctness of the sums remitted. The machinery for regulating and vouching those payments must be, I presume, the Admiralty responsibility to see that those payments are correct. When that Admiralty function is exercised, then I think that money ought to be paid to the Exchequer.

585. You have said that this leads to a large unappropriated balance at the command of the Paymaster, to which you object?—Yes.

586. You are aware that the regulation from time immemorial has been, and repeated in every Treasury Minute, that the cash balance of the Paymaster at the Bank, which those paymasters represent, must be exhausted before the Paymaster draws upon his Exchequer credits, and therefore, if he does follow that rule of exhausting his cash balance for his daily payments, in preference to drawing upon his Exchequer credits, there never can be a large balance to speak of, and the effect is to save him from drawing unnecessarily upon the Exchequer?—Such orders exist, but assuredly not from time immemorial as the question assumes; but if the order be interpreted as enabling the Paymaster to exhaust his cash balance for purposes which are not sanctioned by Parliament, respecting which no Royal Order or Treasury Warrant has been passed, in respect to which no Exchequer Warrant has been issued, it is that very power of exhausting an unappropriated sum which I consider to constitute what appears to me to be an illegality, and what I know to be a danger.

587. Mr. *Cardwell.*] You do not contemplate that it would be necessary to send money in coin from distant parts of the world to the Board of Admiralty in order to enable them to make the arrangement of which you are now speaking?—Clearly not.

588. Or that there would be any other change except this, that the sum of money so received by them would be subject to the issue of the Comptroller, whereas now it is in the hands of the Paymaster-general, and does not become subject to the Comptroller till the close of the quarter?—Precisely so; because the Comptroller issues, determining and fixing the appropriation.

589. What you contemplate is, that that should be done from time to time which is now done at the close of the quarter?—Yes; this applies to all unappropriated monies, and ensures their issue for appropriated purposes only.

590. *Chairman.*] As I understand you, your difficulty is, that these repayments in the hands of the Paymaster, until the adjustment takes place, are disposable for any service or any payment which the Treasury may order?—Which the Treasury may order.

591. Subject always to the readjustment at the end of the quarter?—Precisely so.

592. Mr. *Wilson.*] The whole tendency of the alterations made by the Treasury in late years has been to carry out that principle which is laid down in the Report of 1832, the paying of all monies into the Exchequer, and to supply the defects which the Treasury Minute of 1835 left with regard to that principle?—I do not think that the changes that have been made have been happy if that were the object, because the effect of the alterations in modern times has been to place more unappropriated monies in the hands of the Paymaster.

593. We have been already told that the Treasury Minute of 1835 was passed for the purpose of giving effect to the Act of 1834, which Act was passed in consequence of the Report of the Commissioners of 1832, which Commissioners recommended that all money should be paid into the Exchequer, and accounted for in the Exchequer; the Treasury Minute of 1834 found certain reasons why that could not be carried into effect; the produce of old stores was not provided to

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to be paid into the Exchequer; but is it not the case that the whole tendency of the recent Treasury regulations has been to bring all those monies which have been excluded from the Exchequer, finally into the Exchequer at the present time; is it not the case that the produce of old stores goes into the Exchequer now?—Yes, and it is done, as far as I can learn, with praiseworthy earnestness, and a steady determination to carry the Treasury Minute into effect.

594. With respect to all those payments, the Treasury practice of late years has been to confirm and carry out the principles laid down in the Report of 1832?—Most certainly not. It is true with respect to old stores. But I will give an example: the Paymaster in Ireland is a receiver of money necessarily there, and he pays that money over to the Exchequer here. By a Treasury Order, and a very wise one, he was bound to pay up all the monies which he had in his hands to the Exchequer at stated times; I think it was twice in the week, on the Wednesday and on the Saturday. By the alteration of the Paymaster's department that practice is changed now, and those payments are delayed in their progress to the Exchequer. Now that is just reversing the process that the Honourable Member has suggested; it is delaying the progress to the Exchequer in place of accelerating it.

595. My question had reference to the fact that there were, by the Minute of 1834, a great number of receipts which never passed into the Exchequer at all, and which do now pass into the Exchequer. There are the receipts for old stores, there are the receipts for rents, there are the receipts for every description of small receipt, original receipt for original purpose received by the various departments; they all now go into the Exchequer by the Treasury Minute of 1835, and they did not go into the Exchequer?—I think not, because I cannot consider it to be a carrying out of the principle of that Act, when a variety of payments, which formerly were paid directly into the hands of the Exchequer itself, are now, though they may be paid to the Exchequer ultimately, paid primarily to the Paymaster, who may keep them in his hands for a period which defeats the policy of the Act. I can show you a balance kept for more than two years, and acted upon not for its appropriated purpose, but acted upon by the Paymaster in his discretion.

596. Is it not the case that there are a great number of receipts which are now paid into the Exchequer, which were not paid into the Exchequer as contemplated by the Treasury Minute of 1835, which was based upon the Act of 1834?—I think if you take the ultimate payments into the Exchequer it may be so, but there is a much larger amount arrested in its progress to the Exchequer than there was before, which remains in the hands of the Paymaster as an unappropriated sum liable to be acted upon by an officer holding during the pleasure of the Crown.

597. Mr. *Bowyer.*] Does your Lordship, by ultimate payments, mean payments by account?—No, I mean this, that if, for instance, a sum that would formerly have been paid direct into the Exchequer in the month of January 1850, is delayed in the hands of the Paymaster till 1851 or 1852, the ultimate payment which I contemplate there is the payment into the Exchequer in 1852. By an ultimate payment I mean the payment to the Exchequer.

598. Which is, in point of fact, no payment at all, but merely a matter of account?—All these things are matters of account; all our remittances between department and department are matters of transfer and credit. I do not touch any money.

599. That money has already been spent and employed?—It may have been spent and employed during the interval, for I presume it would be left to the Exchequer credit if not drawn out with some intent and purpose. I have found the case of such monies remaining for months and years in the hands of the Paymaster; they could not remain in his hands unemployed; on the contrary, they must have been used in his hands, though not for the purpose for which the money was drawn.

600. Mr. *Williams.*] What check is there against the Paymaster with regard to the money that he receives at the audit of the account?—I presume that the check there is the ultimate check of the audit; but I have not been able to distinguish, nor do I know whether the audit account which is checked is the rectified account which has been described, or the original account of the payments as they were first made.

601. In what way is the money just received by the Paymaster drawn out?—Under

—Under regulations, which are before the Committee, which seem strict and proper. You have it in the papers before you. I believe, with respect to the security of the public money and the impeccability of the men who are concerned in this department, it is above all doubt and suspicion. We are dealing with a system.

602. Does the same check apply to the Paymaster as to the Comptroller-general?—It is a different check. The Comptroller-general raises credits and makes transfers, and that is all he does. The Paymaster receives credits from the Exchequer, but he passes the amount of those credits, and other receipts from other parties, to an account upon which he can operate as to directing special payments, but I presume he can only operate upon in pursuance of the regulations, which I believe are strictly such as to guard against the possibility or suspicion of individual abuse.

603. Mr. *Hankey.*] Would it not be the case if the money received for old stores were accounted direct to the Exchequer, that the Exchequer would be bound to obey the directions of the Treasury to transfer that amount to the Paymaster, provided there was an unappropriated sum on the account?—If the question relates to a vote without specific appropriation, that would be the case; the application of unappropriated funds is out of the jurisdiction of the Exchequer. The Comptroller-general controls the amount only of such payments; for instance, you vote every year 100,000 *l.* for Civil Contingencies; the Comptroller-general can prevent the excess of an issue beyond the 100,000 *l.*, but when that sum legally gets into the hands of a public officer or department, most justly and rightly (for it would not be a contingent account if it were not so) that public officer or department has a power of operating upon it.

604. It appears that your only reason for wishing the amount to pass directly to the Exchequer, is to prevent the Paymaster making use of that money for purposes to which it was not appropriated by Parliament?—Precisely; and to take pains that all those moneys are brought in as soon as possible.

605. Do you consider it as a part of the functions of the Comptroller of the Exchequer to see that the Paymaster in any way makes a proper use of the money when once paid to him?—Certainly not; when withdrawn from the Exchequer account, I have no such authority; when withdrawn from the Exchequer credit account, I have neither authority nor knowledge given me by law.

606. Mr. *Wilson.*] It is no part of the functions of your office, and you have no responsibility with regard to it?—No; I have only the responsibility of seeing that the Parliamentary appropriation is not exceeded, and I do that under the supposition that a party so receiving appropriated funds is bound to employ them for the purpose to which they are appropriated by the Act of Parliament, and for such purposes only.

607. Mr. *Cardwell.*] Therefore it is that you object to moneys being in the hands of the Paymaster-general which have not passed through your scrutiny?—Yes, on the two grounds of not being certain of receiving them soon enough, and having no control whatever, and no power of restraining their issue to any but a definite legal Parliamentary purpose.

608. Mr. *Wilson.*] When you speak of Parliamentary appropriation, of course you speak only of the whole vote for each department; you have no control over the specific appropriation of those monies when they are out of your hands?—A question has arisen between me and the Treasury upon that subject, which has rendered it necessary to take the opinion of the law officer: the papers respecting this case may advantageously be produced. *See* Appendix.

609. Mr. *G. A. Hamilton.*] There were two items in the evidence which you gave with regard to payments into the Exchequer. I understood your Lordship to say that the greater part, but not the whole of the duties upon pensions of officers and surplus fees, were paid directly into the Exchequer?—The whole of the first; the 1 *s.* 6 *d.* and 4 *s.* duties come through the Inland Revenue; the other branch used to come in various ways from the parties collecting those fees in many instances; they now come, I believe, almost entirely through the Paymaster; I think there may, perhaps, be some small exceptions to that, but I cannot speak from memory; the papers called for will show the fact.

610. Can your Lordship explain why there are any exceptions?—I have not it distinctly in my mind now; but the present system is open to this additional objection, that I get fines and fees paid in one sum by the Paymaster; if I received them separately and distinguishable, I should know the amount of each,

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they being separate heads of revenue account; the fines are parts of the hereditary revenue, and belong to the account of the public revenue as such; by the intermingling of those two accounts I am deprived of a check of account, which casts a certain degree of uncertainty even on the account which you have in your hand.

611. Mr. *J. M'Gregor.*] Is it within your Lordship's cognizance whether the moneys received by the Paymaster-general which did not find their way into the Exchequer for two years, appeared as part of the public revenue or receipts when received, or only at the end of the two years?—The case immediately in my memory at that time was a case of vote; it was the issue of a Parliamentary vote, on which a credit had been issued, a balance of which was retained for about three years, and is still retained.

612. Mr. *Wilson.*] Am I to understand you to say, that you have known cases where moneys which have been received by the Paymaster on behalf of the Exchequer have remained with the Paymaster unaccounted for for two years?—No, I never stated any such thing as the usual practice; I have not found that for such a period; but I have a variety of instances here, which I could produce, in which the money received has remained in the hands of the Paymaster a longer period than if the old system had been continued, which transmitted moneys to me direct; the case to which I alluded was the one of an Exchequer credit on a Parliamentary vote, the whole of which was transferred to the Paymaster, a part only expended, and the balance retained by the Paymaster at his own command for about three years.

613. You have no reason to believe that the Paymaster does not, at the period that he professes to do it, that is, quarterly, pay over to the Exchequer the whole of those small receipts which come into his hands?—I have no means of knowing, and cannot answer that; but this I know, that, as in the case of the Irish payments, that which I paid was paid formerly twice in the week, as an instance of rapid payment, is now postponed for a much longer time. The quarterly payments may postpone the time of payment to the Exchequer, and prolong the time in which these moneys remain to the cash or the drawing account of the Paymaster.

614. *Chairman.*] With regard to Exchequer bills, do you receive any sums of money on account of Exchequer bills from the Paymaster?—Yes, there have been transactions between me and the Paymaster, where Exchequer bills are issued for the ordinary service, to be sold in the market, to meet the public demand. Issues are made, in Exchequer bills, to the Paymaster for that purpose, he standing now in the position in which the Paymaster of the Exchequer bills, whose office has been very wisely abolished, formerly did. I believe that was the origin of it. I may be directed to make an issue in bills to the Paymaster or the Bank; I make the issue as if I was making it by the Exchequer credit. The Committee will distinguish those bills from the ordinary bills of supply, which are exchanged at periodical times, and also from the deficiency bills. These bills are issued for ways and means purposes.

615. That is in cases in which, instead of issuing an Exchequer credit, you issue Exchequer bills?—Precisely so.

616. Has any question arisen between you and the Paymaster as to such issue?—A question has arisen between me and the Treasury, not the Paymaster. Whether it led to any correspondence between the Treasury and the Paymaster I cannot tell, but it did between me and the Treasury. There was a difference of opinion upon that subject, the papers respecting which are deserving of attention.

See Appendix.

617. In some years there has been a considerable premium upon Exchequer Bills; if you issue Exchequer bills and those Exchequer bills are to be sold in the market at a premium, what becomes of that premium?—That was the question at issue between me and the Treasury. It arose in this fashion. I am dealing with a case in which the bills go to the Paymaster; somebody has to sell them in the market. Suppose the unexhausted vote for Army Services was 500,000 *l.*, and no more; that I was required by the Treasury to pay that sum in bills, and not in money; to issue 500,000 *l.*, and to supply Exchequer bills to the Paymaster to satisfy that Army vote in place of a credit; suppose the Paymaster were enabled to sell those bills at a premium, realising a premium of 500 *l.* If I did not call for the repayment of this sum of 500 *l.* in excess of the vote, I should then have supplied the Paymaster with 500,500 *l.* applicable to Army Services, when, in point of fact, I had an unexhausted vote of 500,000 *l.* only.

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only. My duties prescribe that I should not issue or sanction the issue of more than Parliament has granted. I held that to restrain me from doing that act indirectly which I am restrained from doing directly. Therefore, in issuing supply bills of this character, I required the Treasury to pay back to the Consolidated Fund at the Exchequer whatever amount of premium might be realised by that sale; that is, that when I had only 500,000 *l.* as a balance of the Army vote which I was at liberty by law to advance to the army, that I should advance that sum and no more for that purpose.

618. Mr. *Hankey.*] In the meantime you have over-issued?—Not if the bills were disposed of at par; but if they were sold at a premium, I should then have violated the intentions of Parliament by giving the amount that was voted for the Army, plus the premium upon the bills. I found the Treasury were not disposed to adopt that view of the case. The correspondence on this important question is necessary for its explanation.

619. Mr. *Chancellor of the Exchequer.*] What was the date of this correspondence?—It commenced on the 13th of December 1853, closed 8th August 1854. I stated in my letter to the Treasury, which can be furnished to the Committee if they wish it, the necessity of a special entry being made of this, with respect to the rate of premium that might be received upon the bills, that unless this was done it would affect the public accounts, the Appropriation Act, and it affected also the Exchequer control. I received a letter from the Treasury in reply, on January the 11th, 1854, and there it was stated that the bills were computed at par in the Appropriation Act; that the Exchequer control applied only to them at par; and that the premium or discount question lay not between the Exchequer and the Treasury, but between the Treasury and Parliament. My answer was, that if I got no repayment of the excess of issue, a failure in showing the just balance would be inevitable. I stated that I willingly adopted the principle of the Exchequer control being confined to the exact vote as detailed in the Appropriation Act, provided that any sum received as premium should be paid to the Exchequer, and carried to the Consolidated Fund; I should then have expressly carried into effect the intentions of Parliament. I said, as to the essential and constitutional principle of accounting for the premium on those bills, that it was the Comptroller-general's primary duty, to check and to prevent the possibility of misappropriation of the public money, to any issues unsanctioned by Parliament, or exceeding the amount sanctioned by the law; and therefore that any premium in the case stated would be an over-issue contrary to law, unless repaid to the Exchequer account, and was therefore open to objection. I referred to former proceedings, and especially to a correspondence between the Treasury and the Audit Board in 1829. I did not consider that I was acting contrary to my functions. I received from the Treasury that which seemed to me to concede the point, namely, that they did not doubt that the amount of the premiums should be accounted for, and paid into the Exchequer; but they added that it was not a question with which I had anything to do, but that it was a matter between the Treasury and Parliament. My answer was: that it was a matter of appropriation and not of mere account; that it depended upon the fundamental principle belonging to my office by law of allowing no issue of money, under any circumstances, beyond the sums by law appointed. I had hoped that the matter was satisfactorily disposed of by the Treasury order to pay me the premium, which was all I had asked. I, however, got a repetition of their opinion, that they could not admit the Exchequer authority in the matter; that the duty was imposed upon the Audit Commissioners, and that such powers were wholly inconsistent with the duties and functions of the Exchequer; that if the issues were correctly set forth in the imprest certificates, the Auditors would see that the premium was accounted for. I then transmitted a statement of the whole of the circumstances to the Audit Office, the Auditors having enforced from the Comptroller-general of the Exchequer in 1829 an account of the premium upon Exchequer bills; and I hold in my hand all the ancient authorities in which the premium was accounted for to the Treasury. Here they are in the original Exchequer entries: 1,232 *l.*, at one time, from Lushington & Hill; about 3,000 *l.* at another time, and 73,000 *l.* at another time paid into the Exchequer by the Secretaries of the Treasury, being the premium on Exchequer bills sold. I felt I was therefore bound to say, "You for your vote shall get the amount

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which Parliament has voted you, but if you realise more by the sale of the bills, you ought to pay that back to the Exchequer." I think that question is now settled; but I feel it right to mention it, as the question has been agitated, that The House may consider whether I was right in administering the laws committed to me on that occasion as I did, and in declining to abandon my own proper function in expectation that another department, that of the Auditors, would fulfil this duty. My duty is to prevent an undue issue, and that I endeavoured to perform. The following show the former precedents of repayments, which did not take place through the Auditors, the department to which I was referred.

[*The following Paper was delivered in:*]

PREMIUM ON EXCHEQUER BILLS.

EXTRACT from the Pells Office "Introitus."

Veneris, 28° Julii 1826.

S. R. Lushington et Gulmo Hill Ars p profic pret extraord et fcn sup Bill de Scacc vendit p public in mens Maij et Jun p Consol. Fund - - - £. 1,232 11 6

Martis, 14° Novembris 1826.

S. R. Lushington et Gulmo Hill Ars p profic pret extraord et fcn sup Bill de Scacc vend p public mense Julii 1826, p Consol. Fund - - - £. 2,979 7 2

Iisd' &c. utpred - - - - - - - - - - 397 12 -

Martis, 6° Novembris 1827.

Joseph Planta et Gulmo Hill Ars p profic pret extraord et fcn sup Bill de Scacc vendit p public in mens Julii, Augusti et Septs 1827 p Consol. Fund £. 73,554 10 -

Sir, Audit Office, 28 Oct. 1829.

I AM directed to observe that the provisions contained in the 1st & 2d George 4, c. 121, for distinguishing in the imprest certificates the issues made in Exchequer Bills from those made in cash, were founded on the recommendations contained in the Fifth Report of the Committee on the Public Expenditure, on the ground, as stated in the Report, that it was extremely important that the Auditors of Public Accounts should be made acquainted with the description of the issue in order that parties receiving bills instead of cash might be made to account for the interest of such bills.

I have, &c.

G. Bedford, Esq. (signed) *John Lewis Mallet.*

620. Do you receive any other payments from Exchequer bills?—The more ordinary way of disposing of Exchequer bills, laying aside the ordinary exchanges, would be by arrangements between the Government and the Bank of England. Thus, in relation to 1,000,000 *l.* bills purchased by the Bank in February and March 1840, the Bank subsequently placed 2,500 *l.* to the Exchequer account as premium on these bills. It was for this principle that I contended, and sought to enforce, but which the Treasury denied to come within my functions and duties. There can be no difficulty arising there. The only other mode of receiving money upon or through Exchequer bills is by loans made from the Bank on Deficiency bills, the use of which I need not explain to the gentlemen in this room. These bills are securities resorted to generally at the commencement of the quarter for obtaining a temporary loan from the Bank of England sufficient to supply the difference between the balances in the Exchequer and the amount which is payable on the quarter day to the public creditor, and to other persons interested in the quarterly payments.

621. How is that account settling the amount of the Deficiency bills made out?—The account depends upon the principle of striking the balance, namely, ascertaining what money is in the Exchequer; and, on the other hand, the charges on the Consolidated Fund which are due at that period. If the Exchequer monies were 3,000,000 *l.*, and the charges 4,000,000 *l.*, an issue of Deficiency bills

bills to the Bank, and an advance of 1,000,000*l.* from the Bank would be necessary to enable the Treasury to supply means to make those payments. Therefore the mode of striking that balance becomes a material matter.

622. Do you furnish that account to the Treasury, or in what way is the account made up, because the accounts do not always tally?—I will explain to the Committee what the old practice was till a late period, what the alteration has been, and consequently what it is now. The old practice, certainly, from the 57th of George the Third (1817), the Act under which deficiency bills are made out, was this: the day before the close of the quarter, an able and confidential man, a clerk of the Treasury, known to gentlemen here, Mr. Dwight, came over to the Exchequer to compare the accounts with the chief accountant of the Exchequer. There was no difficulty in ascertaining from our own books the amount of money in the Exchequer; that could be done without fail; but for the purpose of ascertaining the charge on the Consolidated Fund, that could not be completed at the Exchequer. The law shows the power the Treasury possesses, in many instances, of making charges on the Consolidated Fund, but not the amount of the charge made. Mr. Dwight came over to the Exchequer, met my chief accountant, and they went through each for himself the quarterly account, making up their joint view of the charge as it then stood. If there was a case that led to any difference of opinion, that case would have been necessarily brought before me; the transaction was most usefully carried on for the public, and done in perfect union between the two parties. In order to make up the amount of charge, a document was produced from the Treasury, which was termed the Consolidated Fund warrant for the quarter. I hold in my hand one that reached my department. It was invariably prepared at the Treasury, though, when first produced for this comparison, it was not yet signed. It was subsequently signed by the members of the Board of Treasury, and it contained a recital of the payments to be charged on the Consolidated Fund; that was brought me just the day before the quarter-day; consequently a few additional payments were not quite closed at the time this account was furnished, but it was quite enough for calculation; the additional accounts, which were generally trivial matters, were inserted in pencil. When the parties had agreed upon the amount of charge, that was compared with the amount of Exchequer balance, and then I was called upon, in conformity with the invariable usage of the Exchequer, to furnish the Treasury Board with a certificate, of which I hold the original in my hand. Upon the faith of this Exchequer certificate, signed by me, the Treasury warrant was founded. The warrant was to the following effect: "Whereas by the certificate hereunto annexed, and transmitted to us by the Comptroller-general of Her Majesty's Exchequer at Westminster, it appears that the produce of the Consolidated Fund arising in Great Britain will be insufficient to defray the charge thereon, in the quarter ending the 5th of July, by the sum of 4,000,000*l.*; these are to give you a warrant to issue Deficiency bills to that extent," &c. Such was the course of practice at that time. Thus I gave my certificate of the amount of Deficiency bills, and the Treasury recited that certificate in their warrant; and that was published to the whole world as being the maximum amount of the Deficiency bills that would then be required. This was done not only as the opinion of the Treasury, but as the judgment of an independent officer certifying to this important fact.

623. Is that the course at present?—No, it is not.

624. What alteration has been made?—The alteration that was made was, the withdrawal in the notice to me of the information that was contained in the Consolidated Fund warrant; I therefore ceased to have the means of certifying to the Treasury the amount of Deficiency bills that were to be issued, and the Treasury were obliged to alter the form of their warrant, and to make it an act and authority of their own, in place of being an act vouched and certified by me; and the Deficiency bills were issued upon a totally different authority from that which had previously existed; such is the change. I felt it my duty in consequence, when furnishing my quarterly account to the Treasury, the Bank of England and the Commissioners of the National Debt, to state why those accounts were defective, and why I could no longer answer for the correctness of the balance on which depended the issue of Deficiency bills.

625. Sir *H. Willoughby.*] At what time was that change made?—The change took place in the year 1854. The correspondence is long, but important. *See* Appendix.

I can

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I can give the dates, and the correspondence books are open to the Members of the Committee, and some of this correspondence, I think, ought to be adverted to in detail. I stated that the necessity for ascertaining the surplus or deficiency of the quarter was for the purpose of enabling the Comptroller to furnish the certificate on which the warrant for making out the Deficiency bills finally rests, and for continuing the subsequent issues upon the Consolidated Fund. I lost the complete power which previously existed, which was abolished contrary to all precedent and all usage in the office; and whatever advantage was derived from having a check interposed was thereby entirely withdrawn. The change was made contemporaneously with the change in the manner of issuing and dealing with Deficiency bills, but it in fact amounted to this, that previously the amount of Deficiency bills was checked by an independent officer, and after that time it rested upon the arbitrament of the Treasury. I can refer to all the dates of the correspondence, and the results of the proceeding. I stated that my duty was to guard against any Treasury abuse or negligence in their department. In consequence of this abandonment some trivial errors have occurred. This change was made contemporaneously with the abandonment on the part of the Treasury of the ancient and invariable method of providing for the payment of the dividends; the two objects seem connected. The papers are before Parliament—No. 465, 1855.

626. *Chairman.*] Did the Treasury state any grounds for declining to give you the information which you required?—The objection stated to the former practice, and I think it was a valid and good objection (if it could not have been easily and effectually removed), was the labour to the Treasury in preparing this warrant in the great detail in which it was given, because, as there were Issuing Warrants which afterwards came before me, it amounted to double work. I think that the Treasury were quite justified in objecting to that course of proceeding; but what I suggested when called upon was, that on withdrawing this charging warrant they should give me the issuing warrants at least a day before the quarter-day. I could then have ascertained, as I did before, that the Deficiency bills included in the warrant were what the law required. I should have had an effective power of check; I could have issued my certificate, the form of the Treasury warrant would have remained unchanged, and my quarterly accounts would have been correctly completed. The contrary of this is now the case; I am deprived of the means I had for performing my official duties. I was in hopes that the arrangement I suggested would have been carried into effect. I think the subject ought to be reconsidered. I believe the papers are still in the hands of the highest authorities in the Treasury, but as yet I have received no reply to the final statement which I laid before them. In all other issues of Exchequer bills I have an authority of some kind or another laid before me, but in this case the authority has been withdrawn.

627. Mr. *Wilson.*] You have alluded to two questions of Exchequer bills; first, the issue of ways and means bills, for the purpose of the current expenditure of the quarter; and secondly, with regard to the purpose of Deficiency bills; now the power which the Treasury has to issue ways and means bills, or in other words Exchequer bills to the aid of the ways and means of the year, is derived from an Act of Parliament, is it not?—Certainly.

628. There is no question, therefore, of the legality of the power of the Treasury to create ways and means bills in any one quarter, payable out of the revenues of the following quarter, for the purpose of aiding the receipts of the current quarter for the payments of the Supply services of the year?—The bills which you have described are not the bills in question; you are describing the Consolidated Fund bills. The bills to which, I presume, the question points are ordinary Exchequer bills, not issued for exchange, but to provide for the demands of the year.

629. With regard to the question which you have raised, it makes no difference what bills they are; they are Exchequer bills for Supply services; the bills to which you referred were bills issued under an Act of Parliament; there was no question, therefore, as to the authority of the Treasury to issue those bills?—None in the least.

630. The Act of Parliament authorised the Treasury to issue a certain number of Exchequer bills expressed in money; a definite sum of money?—Yes; 500,000*l.*

631. In the case which you have put, if you had standing at the Exchequer an

an unappropriated balance of a vote for the Army services of 500,000*l.*, and if the Treasury had a power by Act of Parliament to issue 500,000*l.* worth of Exchequer bills, is it not clearly in the discretion of the Treasury, whether they request you to make an issue of money upon the Exchequer account, or to issue 500,000*l.* of Exchequer bills under the Act of Parliament?—The money issue and the bill issue are identical as enabling the Treasury to obtain the command of ways and means to pay a given Supply service; both the money and the bills are ways and means; the sum of Supply is fixed and determinate, being by the hypothesis 500,000*l.*; the Treasury have a full command of the ways and means, but they know well, and the House of Commons knows well, that they have no right to apply a larger amount of ways and means than the Supply which that ways and means is intended to cover; they have a right to take either money or Exchequer bills, but in either case they have no right to more than the Supply of 500,000*l.*, and it is my duty to prevent their getting it.

632. Is there anything in the Appropriation Act which gives the Treasury the power of issuing upon Army services, of which suppose this 500,000*l.* to be the unexhausted balance, or is there anything in the Act of Parliament which gives them the power of issuing Exchequer bills, to designate or to point out any question of premium or of discount upon which the Exchequer bills may be sold, at which they may be disposed of, or do not the whole of the Acts of Parliament proceed upon fixed and definite sums, supposing them to be taken at par?—The Act of Parliament provides ways and means to meet the Supplies, and the issue of the ways and means is strictly limited by those Supplies. There is no authority vested in the State to issue one penny-piece of ways and means exceeding the supply that is granted to Her Majesty. There may be in money an excess of ways and means double the amount of the Army wants, but not one penny-piece can be issued beyond the Supply granted. So it is in Exchequer bills. It is a general constitutional principle, which lies at the A B C of all Parliamentary action, that not one penny-piece can or ought to be issued for the Supply service beyond the amount of that Supply. Whether you get it from money or Exchequer bills it is absolutely immaterial.

633. If Parliament gives the Treasury authority to issue a certain amount of Exchequer bills, does Parliament recognise in any way the price at which those Exchequer bills may be disposed of in the market?—Certainly not, because Parliament could not effect an impossibility.

634. Would it be in the power of the Treasury or in the control of the Exchequer, at the time that the issue of the Exchequer bills was made, to state to a precise certainty what amount of money those Exchequer bills would furnish to the public revenue?—Not at the time, but it would be enabled to ascertain in the way suggested by my interposition, that if more were received upon the Exchequer bills than was justified by the vote in supply, that excess should be paid back to the credit of the public; because if you will permit me to make one single suggestion, you will see the consequence of establishing the principle for which your question is contending. Supposing this occurrence took place, that Exchequer bills were at a great discount, and the Army required 500,000*l.* of services, and I were to issue to the Army no more than the 500,000*l.* when they were at 20*s.* discount, I should be entitled to charge the Army with the whole 500,000*l.*, because I have given them 500,000*l.* in Exchequer bills; I hold that the case is exactly the same. They are entitled to get the amount of their money vote out of the ways and means granted; if the ways and means produce more, they are bound to pay it back.

635. Mr. *Chancellor of the Exchequer.*] Do not you apprehend that in the case which you suppose, you would be bound to charge the entire amount, even though they were at a discount?—No, not in the least; I should be fully entitled to provide for it by the Army vote by the ways and means placed at the disposal of the public. This principle is best illustrated by reference to the words of any Ways and Means Act. Take, as an example, 19 Vict. c. 19: "It shall be lawful for the Treasury to issue and apply all such money as shall be raised by Exchequer Bills to be made out in pursuance of this Act to such service as shall have been voted," &c. &c. The same principle is affirmed with still greater distinctness in the 18 & 19 Vict. c. 136.

636. Mr. *Wilson.*] Has there ever been a question, or was there ever a

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question raised in the case to which you refer, as to whether the excess of premium received upon those Exchequer bills should be repaid to the Consolidated Fund?—I wish that correspondence to be distinctly before the Committee. I will put in the return, and they will see that the original point was an objection altogether to admit any obligation of repaying the premium. I showed them Mr. Hill's precedents, Mr. Planta's precedents, and Mr. Lushington's precedents, and then they told me that it was not a question about paying in, but about my having the right to look into the matter; they said that it rested between them and Parliament.

637. Was it ever disputed on the part of the Treasury that the sum of the premium obtained upon those Exchequer bills should be accounted for to the Consolidated Fund?—It never was stated, directly or indirectly, that it was to be so accounted for to the Consolidated Fund, because that was what I contended for; it could not be accounted for to the Consolidated Fund without paying it in to the Exchequer; and it was that proposition, and my duty to enforce it, that the Treasury never would assent to.

638. Have you in your hand the first letter which you received from the Treasury upon that subject?—No, I have not; I have a précis, and I can get the original paper.

639. If you will refer to the original paper, I think you will find in the last paragraph of that letter a distinct statement that the Treasury never disputed that point, but distinctly admitted that the premium must be paid into the Consolidated Fund?—The case originated in December 1853; the first letter from the Treasury that of 11 January, written in reply, contains no such admission, so far as I remember. On the contrary, it states that the bills were computed at par in the Appropriation Act, that the Exchequer control applies to them only at par, and that premium or discount was a question between the Treasury and Parliament. The letter to which the honourable Member refers was in April 1855. On 31 January 1854, it is true the Treasury authorised an order, placing to the Exchequer account the money arising from premium and interest on the Supply bills issued in the previous quarter; and on 5 April they stated that they never doubted but that the amount of premium should be accounted for and paid to the Exchequer; but they still maintained that this was a question between them and Parliament, and not between them and the Exchequer. I asserted, on the contrary, that it was binding on me, in the control of the issues, that I should not issue for a certain service more than the amount voted by Parliament; for that I contended, and I could not get it admitted.

640. Am I to understand you still to state that the Treasury ever contended that the premium upon those bills should not be accounted for to the Exchequer?—They did, surely, in denying my duty of control; they never stated that it was to be accounted for to the Exchequer. On the contrary, when I requested them to account for it to the Exchequer, they stated that it was to be accounted for, I know not how, to Parliament, but they withdrew it from the control of my office.

641. Are you aware that those bills were issued in the currency of the last quarter of 1853 for Supply services?—Yes.

642. Are you aware that they were issued through the Bank of England, and accounted for by the Bank of England at the end of the quarter to the Treasury?—No, I think not; my recollection is, that the bills in question were sent to the Bank, that they should be placed to the Paymaster's account by the Bank. Payments of premium, or of the interest due on the bills, were made at a subsequent time. Still even on 20 July 1854, the Treasury report that they cannot admit the authority of the Exchequer in this matter, considering the duty to belong to the auditors. I stated, with respect to bills sold to the Bank, that I could at once know from the daily returns from the Bank what the bargain was; I should see at once whether there was a premium repaid; but in the case I have stated, I was obliged to bring it to the point of adding, that if the Treasury did not admit the principle of Exchequer control, I must resort to some other mode of computing issues in bills that would be more complicated and inconvenient; this was on 7th April. It was, in other words, saying that I should ascertain what the premium was, and that I should call upon the Treasury for that exact amount.

643. You are not aware, you say, that those bills were negotiated through the

the Bank of England?—Not from memory. I tender you the letters and correspondence, which will speak for themselves.

644. Have not you already stated that that amount of premium was paid into the Exchequer, and accounted for in the month of January 1854?—Yes, but even after that paying back, there was a re-assertion of the principle that it was no portion of the Exchequer duty to enforce this responsibility for the amount of premium.

645. Was not the distinction this, that the Treasury never for a moment doubted or stated that the premium obtained upon those Exchequer bills for the amount more than the issue from the Exchequer, should be paid back into the Exchequer as a receipt or profit, because that was what it was; but that it did not fall to the duty of the Comptroller of the Exchequer either to require or to be responsible for the amount of that premium; that it was a question of profit and receipt in the sale of Exchequer bills for which the Treasury was responsible?—They stated that they were not responsible to me. They stated in the first communication that they were responsible to Parliament; in the second they stated that their responsibility was to the auditors, but so late as in July 1854 the Treasury repeated their opinion that they could not admit the Exchequer authority in this matter; that the duty imposed upon the Audit Commissioners, and such powers as I had claimed, were wholly inconsistent with the duties and functions of the Exchequer. If the issues were correctly set forth in the imprest certificates from the Exchequer to the Audit Board, the Commissioners would then see the profit made upon them satisfactorily accounted for. I therefore entered in my accounts to the Audit Board a memorandum, in which I called attention to the 1,750,000 *l.* Exchequer bills issued for voted services at par, and I stated to the auditors, that if any premium had been realised, this must be in excess of the vote. I wrote to the Treasury about the same time, replying to their letter of the 20th of July, that as the Treasury stated that if any profit had been realised on the 1,750,000 *l.*, it would have been paid to the credit of the public, I considered this question to be closed. As to the difference of opinion with regard to the obligation of repayment, I referred to my former letter on the views of the law and Exchequer usage adhering to my original statement.

646. With regard to those Exchequer bills, your duty as Comptroller of the Exchequer is to see that the Treasury do not issue a greater amount of Exchequer bills as ways and means than the Act of Parliament enables them to do? That was one duty, but not the only duty. I was also bound by law, and by the usage of the House of Commons itself in its votes, to make my issue of ways and means coincident with the votes of the supply.

647. And according to the Act of Parliament those issues might be made to a certain extent in Exchequer bills?—Certainly.

648. Is it competent for you as Comptroller of the Exchequer to recognise any other sum than the sum stated in the Act of Parliament as the amount of Exchequer bills that may be issued?—I think, whether the ways and means are issued in one way or another, I am equally bound to see that the Treasury gets all that it asks for, and if I have them not, and am driven upon Exchequer bills, my duty is to see that they get no more than the vote; the express words of the law prescribe this.

649. No more than the Act of Parliament enables them to draw?—No more than the Vote of Supply requires and justifies.

650. That amount may be paid either in money or in Exchequer bills up to the sum which Parliament has enabled the Treasury to issue?—I take the Exchequer bills all to represent the money, and I am bound to supply money, ways and means, to meet a given amount; the Exchequer bills are only the mode of raising that money, and if they produced a premium upon them I was not justified in issuing more than Parliament voted. I refer to the mode of dealing with these Exchequer Bills, as set forth in the Ways and Means Acts of Appropriation; take, as an example, 19 Vict. c. 19, and also 18 & 19 Vict. c. 130.

651. Supposing we had unexhausted of the army vote in our hands 500,000*l.*, and supposing that we had unexhausted of our ways and means 500,000*l.* of Exchequer bills unissued, the use of those Exchequer bills in the Appropriation Act would exactly balance the amount of the votes for army services; suppose

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we were to call upon you to issue 500,000*l.* of Exchequer bills upon army services, and suppose that that 500,000*l.* was sold in the market at a discount of 20*s.*, would you feel justified in granting a further issue for army services upon your Exchequer account in the Bank of England to make up the loss upon those bills?—I think I should be fully justified, if so directed, in relation to the issues of ways and means, in issuing, whether out of one fund, or out of the other, or out of a combination of both, sufficient ways and means to cover the amount of supply. I have already stated that the Exchequer bills are described, by the Acts regulating their issues, as the means for raising money rather than money itself. I think I should be justified in thus making up the 500,000*l.* if it were there; if it were not there, the only result would be that the Treasury would find, from the unfortunate state of the Exchequer-bill market (which now and then happens), that they might have had, as far as the ways and means in bills were concerned, less voted than answered the public service. If by the price of the Exchequer-bill market you had not the means of getting money enough to answer your army vote of 500,000*l.*, but you had 500,000*l.* unissued out of the Consolidated Fund, I think the Treasury would be perfectly justified in asking me to give the full 500,000*l.* ways and means; and if the deficiency was a deficiency in bills, to make up that deficiency out of the Consolidated Fund.

652. Then you think that the sum granted by the Appropriation Act for a specific vote may be exceeded to any extent; that there may be a loss or a discount upon Exchequer bills which have been issued upon behalf of those ways and means?—My argument is that the vote ought never to be exceeded; neither ought it, as long as the Exchequer holds ways and means, to be left less. The public service ought not to suffer by reason of the financial condition of the market. If it was 400,000*l.* that you wanted in Exchequer bills, and you could not get your money to the extent of 400,000*l.*, if you asked for 420,000*l.* I should hold that I was bound to give it you for the army service, to sell more Exchequer bills; that is, dealing with Exchequer bills as the means of raising money; but if there were no more Exchequer bills in my possession, but I had ways and means from the Consolidated Fund, I was equally bound, as long as I had ways and means, to give to the Treasury, when duly required to do so, such an amount of ways and means as were necessary to cover the supply which had been granted to Her Majesty.

653. Supposing the army services were 10,000,000*l.*, and we had issued 9,500,000*l.* from the Exchequer account in the Consolidated Fund, and there was 500,000*l.* then remaining of unissued vote, and suppose we had a power to issue 500,000*l.* of Exchequer bills, and that we requested you to make an issue of that 500,000*l.*, but instead of yielding 500,000*l.* they yielded 450,000*l.*, would you feel justified in making an issue of the other 50,000*l.*, the vote having been exhausted from the general ways and means in your possession?—All ways and means are applicable to all supply services. It is an entire misapprehension to consider that there are ways and means for the army only; all ways and means are applicable to all supply services; and if I had ways and means of any kind to answer what Parliament had voted, I should be bound to issue it.

654. Suppose that the Army Estimates are 10,000,000*l.*, you are aware that Royal Orders are issued for the 10.000,000*l.*; when an issue is ordered upon those Royal Orders, it is provided for, by the regulations of the two offices, that we intimate to you upon each issue the amount which has been issued, and the amount now required to be issued; and the balance, if any, left in your hand, is a memorandum at each office for the convenience of the two departments. Now supposing at the close of the year, at the last order which we make upon you to issue upon behalf of the army services, there is issued of the amount of the Royal Order for 10,000,000*l.*, 9,500,000*l.*, leaving a balance of 500,000*l.*, and we give you an order to issue 500,000*l.* of Exchequer bills to balance that vote, would you consider that that vote, then, for the year, was closed in your books?—No; I have already stated that if that 500,000*l.* only realised 450,000*l.*, and your vote in supply was 500,000*l.*, and I had other ways and means in my possession, I think I should be bound to make up the amount of ways and means to you.

655. Am I to understand that, having exhausted the Royal Order, and having exhausted

exhausted the vote of Parliament in your books, if we at the Treasury were to intimate to you a month afterwards that that 500,000 *l.* had produced us only 450,000 *l.* by selling them in the market, you would feel justified in exceeding the Royal Order, and in exceeding the vote of Parliament, and issuing, in order to make up that loss, another 50,000 *l.* to the army services?—I entirely differ from the statement of the question. I deny that I should be exceeding the vote of Parliament if I were providing the Government with ways and means which I held in my hands that did not exceed the supply voted. With respect to the Royal Order (we are dealing with hypothetical cases; no Government would allow this case to occur; it would take care of itself), it is another thing. The Honourable Gentleman is aware that the habit is not to issue the Royal Order for the whole amount of the army votes; the habit is to issue them from time to time; and though they are authorised in large sums of 2,000,000*l.*, 3,000,000 *l.*, or 4,000,000 *l.*, or 400,000 *l.* or 500,000 *l.*, they are issued according as both supplies and ways and means are voted, and they cannot by possibility go beyond the supplies voted, accompanied by covering votes in ways and means; therefore, before you got to your last Royal Order, you would have been able to look round you, and see how you could provide for this case. But there can be no hesitation in saying that, Parliament having voted ways and means to cover the supply services, if they are exhausted, I think the provisions of the Act will enable them to issue ways and means to cover the supply. But as I have just stated, I consider these cases as hypothetical altogether.

656. If there are ways and means provided in the Appropriation Act of a certain amount of Exchequer bills, you do not regard that amount as being taken for cash, but as being taken for whatever indefinite and undetermined sum they may produce?—Those Exchequer bills are given as an alternative for payments from the Consolidated Fund. The last Ways and Means Act, you will see, gives the alternative to the Government of making advances of certain sums from the Consolidated Fund, or making advances by Exchequer bills; they have the alternative of doing the one or the other, and that alternative, I have no doubt, they would use prudently. They have not the power of issuing both sums; it is not a cumulative power, but an alternative power, and, therefore, when the Government came to the position of finding that they could not issue without losing by Exchequer bills, they would take the other alternative.

657. Mr. *Chancellor of the Exchequer.*] Your view is, that when Parliament confers upon the Government the authority of issuing 100,000 *l.* in Exchequer bills, that is not to be taken as the sum of 100,000 *l.* in money, but as the power of issuing securities represented by 100,000 *l.*, and that the value is to be estimated at what they will fetch in the market?—Yes, precisely; I refer to the words of the Statute.

658. Is it possible for the Treasury, or the Comptroller of the Exchequer, in all cases, to estimate with certainty the value of a large issue of Exchequer bills before it is made?—Certainly not.

659. If 500,000 *l.* or 1,000,000 *l.* of Exchequer bills is issued at the same time, does not it depend upon whether that issue is made upon a previous agreement, for example, with the Bank of England, or whether it is made in the open market, and that large sum is brought at once upon the market?—It does clearly; but the alternative being to the Government either of issuing positively in money or in Exchequer bills, if the difficulty were to arise that was suggested, of making the amount of Exchequer bills less than the amount of ways and means which they were requiring to use, they would then have recourse to the Consolidated Fund issues, and would make issues from thence, and square their account in that way.

660. If your principle is adopted, the value of an issue of Exchequer bills would depend upon circumstances which the Comptroller of the Exchequer would be unable to estimate when the issue was made?—Yes; and therefore the suggestion that I made was adhering strictly to the previous practice, which was, that if the sale of the Exchequer bills produced more than the vote required, that difference should be paid over to me; then I was quite sure my duty was complied with, that I did not place at the disposal of the Treasury, upon which I am check, more than the amount which Parliament intended.

661. Was not that course adopted in the case to which you refer?—It was adopted after a long and somewhat painful discussion.

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662. Still that course was adopted?—That decision to which the right honourable gentleman refers, as will be seen in the correspondence, was adopted, but the principle was resisted up to the last moment, namely, that I was to be placed in a position which enabled the Treasury to obtain for the public service more than Parliament intended.

663. Have you any objection to make to the practice which was adopted upon that occasion?—I have the greatest possible objection, if it is considered that the Treasury doctrine was a true one, and that I had not a right to enforce the principle of issuing no more than was the amount voted. I hold in my hand now the Appropriation Act of 1830, which explains all that I have said; the Acts are all in the same way. The first section provides that there shall be applied for the service of the year 1830, 1,500,000 *l.* out of the Consolidated Fund. Then there is an alternative power given of raising by Exchequer bills the 1,500,000 *l.*, and the Bank is authorised to advance, notwithstanding the Statute of William, upon the security of those bills. It is quite clear, therefore, that the Government, if it cannot do it advantageously in one way, will do it in the other.

664. With regard to what I understand to be the present practice, if an issue of Exchequer bills is made, that issue is stated, in the first instance in your books, according to the apparent value of the Exchequer bills?—It is separated as a separate account. In this account, for instance, I separate the issues in Exchequer bills from the issues in money, so as to call the attention of Parliament to the difference between the two.

665. If by the sale of those Exchequer bills, a profit is made, that excess is paid into the Exchequer?—It ought to be.

666. Would it not be according to the present practice?—I do not know whether it would or not. The Treasury disputed and refused to acquiesce in my calling for the repayment.

667. If it should turn out that the practice is as I have stated to you, is there anything objectionable in that practice?—Not in the slightest degree, if it is recognised as a matter of principle and right that the Treasury is to repay the premium upon Exchequer bills when that premium has been realised; that is all that I have ever suggested as being right, but that I hold to be right, and I think that the Comptroller-general is bound to enforce it. There is, however, a better practice which would avoid all these difficulties: sell the Exchequer bills, pay the proceeds into the Consolidated Fund, and issue credits from thence as the public service legally demands. Thus all difficulties respecting premiums and discounts will be avoided, and the principle of the Ways and Means Acts will be carried out.

668. Mr. *Wilson*.] Would you not hold equally as a principle that the Treasury are bound to pay to the Exchequer any sums of money arising from profits of any kind that arise from any source?—If they come from any source applicable to the public service they are bound to pay. If any departments thought that they could retain in their own hands, to be employed at their own discretion, any sums that had come into their hands, profit or otherwise, I think they would be acting illegally and wrongfully.

669. The simple question is, Is the Treasury not bound to pay into the Exchequer to the public account whatever monies may come into their hands, whether from the profit of the sale of Exchequer bills or from any other source whatever?—Certainly not. For instance, all the repayments made to the Commissariat chest of advances that have been made, I do not think they are bound to pay over. But I believe profits made are repaid; I refer, for instance, to profits on remittances to Hanover for the German legion.

670. Is not that an independent fund, independent of the Exchequer altogether?—Precisely; but the question that you put was a general question.

671. There are sums of profit and original receipts in the shape of profit which may come on behalf of the public into the Treasury in any shape whatever; is not the Treasury bound in its duty to account for that in the Exchequer?—My own impression is, that if it be unappropriated public money it should come back to the Exchequer. If it was a payment upon account of Civil Contingencies, or any other specific account of that description, I do not say that it should come back to the Exchequer. With respect to profits, I think the alternative is, that they have a right to keep the profits, and if they have

have a right to keep them they have a right to employ them, and that would surely be contrary to law.

672. You do not entertain it as an opinion that the Treasury would have a right to keep the profits and employ them?—On the contrary, I say that they ought not. The profits are all public money, and, if unappropriated, they should go back to the Exchequer, and be issued under the Appropriation Act.

673. From whatever original source the Treasury may derive money of any kind, as original receipts, it is clearly their duty to place them in the Exchequer, whether profits arising from Exchequer bills, or from any other source?—I am not prepared to affirm that so absolutely, without knowing what the cases may be.

674. Suppose the sale of an estate vested in the Treasury, and the purchase-money comes into the hands of the Treasury, would it not be the duty of the Treasury to place that in the Exchequer?—I believe the sales of land under the Woods and Forests do not go back to the Exchequer, and would not. If the honourable gentleman will ask me a particular case, I will give him a particular answer; but when he says all cases of all profits, I must know what those cases are. The supposition of the sale of an estate entered in the Treasury is too vague; I must know what estate, how vested, and under what authority sold, before it is possible to answer the question.

675. Your Lordship is aware that the Woods and Forests are Crown property, and the capital account is a distinct thing altogether from the public moneys; but suppose there were a quantity of barrack property, which is clearly public property, and the Treasury were to order that property to be sold, and the moneys clearly belonged to the public and not to the Crown, would it not be the distinct duty of the Treasury to pay such moneys as those into the Exchequer?—I think it would, unless some other course were directed by Statute.

676. With regard to the quarterly account upon which the deficiency bills are made out, you used the word "check," and you spoke of the change which had taken place by not furnishing the copies of those warrants in duplicate, over and over again; you said that the change had withdrawn from you and from the public a check upon the exact amount which the deficiency bills ought to represent; what is the nature of the check that is altered?—The nature of the check was this: the power of issuing deficiency bills is one which is most important, not only to the Government, but important to the public at large. Under the former practice, by the words of the Treasury Warrant which I read, the maximum amount that could be issued was, by the Treasury, declared to rest upon the Comptroller-general's certificate as well as upon their own warrant. The certificate was signed by an independent officer, after a careful examination of the facts. There was therefore a perfect security that the amount thus stated was the maximum, and the correct amount that was to be issued. At the present time the Treasury have been constrained to alter the form of their warrant, and it rests merely upon their own declaration without any check at all.

677. In what respect is the form of their warrant altered?—It is altered in this respect, that whereas the former warrant recited the Comptroller-general's certificate (a copy of which certificate I have here) as being the foundation of the order for making out deficiency bills, which certificate the Treasury thus gave to the public; at the present time it is merely a warrant which recites the judgment of the Treasury, unsupported by any foundation whatever but their own arbitrament.

678. Was not the account made up at the Treasury an account of the whole charges upon the Consolidated Fund upon which you yourself certified?—It was made up at the Treasury, but that account was examined at my office, because I never would have given that certificate without having perfect official cognizance that the deficiency stated was the difference between the Exchequer monies and the demands upon the Consolidated Fund. These are the words of my certificate, "I hereby certify that the amount received on account of the Consolidated Fund in Great Britain will be insufficient to defray the charge thereon for the quarter ended the 5th of July 1854, by the sum of 4,029,289*l.*;" and that certificate is recited in the Treasury warrant, and upon that certificate authority is given.

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679. Had you any other means of knowing what the amount of those charges was to be, excepting the means furnished by the Treasury?—Yes.

680. What means?—The great bulk of the charges upon the Consolidated Fund go on from quarter to quarter and from year to year; there is the question of the charges for the Civil List, the Judges' salaries, and a variety of other things of that description; they are, to a certain extent, similar in corresponding quarters, subject of course to new grants, alterations of the law, deaths, and causes of the like kind. They amount to something above two millions annually, under three heads. Patents and instruments of appointments, of grants, and of warrants are produced and registered, as evidence of the legality of the charge. What is necessary to know is, what the peculiarities of the quarter's issue are; the Treasury powers and the acts of nature varying the charge. Therefore the consideration is not a very difficult one, but it requires accurate examination; it is one which was made upon the act of the joint departments, and greatly to the saving of trouble ultimately to the Treasury if done in the right way.

681. That document which has been called an account is not, in point of fact, an account; it is an estimate; it is an account, in part, of payments that have been made in the quarter; but it is chiefly an estimate of the payments that are to be made chargeable upon the quarter, but payable during the currency of the following year?—Every charge put upon the Consolidated Fund must in a certain sense be an estimate. This account is an account enabling the Exchequer to examine the legality of the proposed charge on the Consolidated Fund. I can examine that it is accurate and right by applying my own control. Then we come to the remaining portion; these have been long considered in the previous quarters; and we look at the alterations that have been made, and at the authority upon which they are made. If a person dies in the middle of the quarter there is so much less issue; or if, in a case of supply, Her Majesty were to reduce a public department in Her service, that would reduce the amount of issue required.

682. Your control arises at the moment that those payments come to be made; if we issue an order to pay the Judges' salaries, then you see that the payment is according to Act of Parliament, and chargeable upon the Consolidated Fund, and your control arises when the charge comes to be made?—My control with respect to issues arises when I am asked to issue. The control with respect to declaring a balance, and making out deficiency bills, arises at the quarter-day, and at no other time.

683. Is there anything in the Exchequer Act, or in any other Act of Parliament, which suggests a control of that nature as appertaining to your office?—The Exchequer Act not only suggests, but directly transfers to me all the powers and authorities which either by law or usage had antecedently been acted upon by the Auditor and the Clerk of the Pells. This portion of my functions was uninterruptedly acted upon by them, and it was acted upon by every successive Government up to April 1854, from the time of the passing of 57 Geo. 3; therefore this became part of the law and usage that was transferred to me, and that law and usage I was deprived of the means of enforcing; consequently it was impossible that I could sign my certificate, the Treasury could no longer make out the accustomed warrant, and my quarterly accounts were made impracticable; and all this in subversion of all serviceable usage from the first issue of deficiency bills under the 57 Geo. 3, that is, a usage of 37 years, confirmed by every Board of Treasury that has existed during that time.

684. Does the Act empowering the Government of the day to issue Exchequer bills for the deficiency upon the quarter's account require any authority on the part of the Exchequer to enable the Government to issue those bills?—That Act of Parliament was passed, and the successive warrants of every Government were passed under that Act of Parliament. There is nothing in the slightest degree inconsistent in that Act of Parliament with the usage which has prevailed during the reigns of four sovereigns.

685. Is there anything in the Act which imposes any duty upon the Comptroller of the Exchequer with regard to the issue of deficiency bills?—They cannot be issued, except by statutable powers conferred upon me, and they must be exercised in a manner conformable to law.

686. Is there anything whatever in that Act which confers upon the Comptroller

troller of the Exchequer any control as to the amount of Exchequer bills to be issued for those deficiencies?—It is quite clear that I should not be justified in issuing one single deficiency bill beyond the balance between the Exchequer monies and the charges upon the Consolidated Fund. The mode resorted to, from the year 1817 to the present time, enabled me to see that no more than what was legal was issued in deficiency bills; but the alteration has deprived me of the power of that check.

687. Mr. *Hankey.*] How does your Lordship ascertain what is the amount due for dividends?—That is sent to me by the Treasury, and that is investigated and looked to.

688. In your office?—In my office.

689. Have you any possible means of knowing what is due for dividends?—In my department I must be satisfied of the legality of the dividend warrant which I have to issue, or I cannot sign it.

690. Have you any means of knowing the amount due for dividends otherwise than through the Treasury?—I know it through the Treasury, in the first instance, and upon reference to the former payments.

691. How will the former payments of the last half-year's dividend be a guide for the next?—I have the warrants for the payments since the Exchequer has been established.

692. Great changes may have taken place during the half-year by any amount being converted from stock into annuities, or other changes may have taken place; how can your Lordship ascertain the particulars of those changes other than through the Treasury?—I can only get it through the Treasury in the first instance, but it is also examined and checked; if there have been purchases of deficiency bills, or of supply bills, made by the Government authority, I know nothing about it. I must take that upon the Treasury authority.

693. Does your Lordship consider that it is within your department at all to exercise any control as to whether the amount stated by the Bank as due to them to be paid to the public for dividends is a correct amount, otherwise than through the Treasury?—I know it only upon their credit and authority.

694. You have no papers then direct from the Bank which give you information upon the subject?—No.

695. Mr. *Williams.*] By whom are Exchequer bills signed?—By law they are signed either by myself or by the Assistant Comptroller; the last change in the law being, that whereas formerly they were signed by the Assistant Comptroller writing the Comptroller's name, he now writes his own name, and therefore every holder of a bill sees that the law is complied with. In the old Exchequer, the bills were signed by an Exchequer officer, acting under a deputation or power of attorney from Lord Grenville.

696. There was an extensive forgery some years ago; have any more effective means been adopted for the prevention of forgery since that time?—All those measures have been resorted to with very great industry and consideration, and communication with men of science as well as practical men. All those arrangements are before Parliament already, but if the Committee wish it, I have the papers here; I believe the present system is as perfect as can well be imagined for the prevention of frauds.

697. Has any forgery taken place subsequently to that great forgery which took place some years ago?—No forgery or other offence, nor has there been the slightest reason to suspect any. The whole of the system was revised by myself and carried into effect, with the approval of Sir Robert Peel's Government; and the Chancellor of the Exchequer (Mr. Goulburn's) approval was stated in the House of Commons.

698. The Commissioners for the Reduction of the National Debt have very extensive transactions with regard to the monies of the savings banks, have they not?—The Parliamentary accounts will show that.

699. They occasionally sell Exchequer bills, and again buy Exchequer bills; that does not come through your office?—Not the least; I only know of them as a Member of Parliament.

700. Mr. *Bowyer.*] I think your Lordship stated that Exchequer bills are sometimes sold by the Treasury?—Yes, or by whomsoever the Treasury choose to direct to sell them.

701. What becomes of the produce of those Exchequer bills; is it paid to the account of the Paymaster-general?—Those Exchequer bills, I presume, would

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would be held in that case when they are issued for army services by the Paymaster for the purposes of the army.

702. Mr. *Wilson.*] They would be issued by the Paymaster in the first instance, and not by the Treasury?—Yes. There is some arrangement between the Government and the Bank in the more ordinary transactions. I think there has been only one case of such sales in the market since I have been connected with the Exchequer.

703. When you issue Exchequer bills for ordinary supply services and not for the Exchequer bill exchanges, you issue them to the Paymaster instead of money?—Not exclusively. Sometimes I issue them to the Bank, and the Bank either carries the amount of money for which it has contracted with the Government to the Paymaster's account, or to the Exchequer account, and then the credit is issued from the Exchequer account for the public accountant. The latter seems to me the legitimate mode of procedure, and that which is the most conformable with the constitution and with the clear intentions of Parliament, by insuring a faithful appropriation of the public money.

704. They do not go to the Treasury?—No.

Jovis, 5° die Junii, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. James M'Gregor.
Mr. G. A. Hamilton.	Sir Henry Willoughby.
Mr. Wilson.	Mr. Peacocke.
Mr. Chancellor of the Exchequer.	Mr. Williams.
Mr. Bowyer.	Mr. Hankey.
Mr. Cardwell.	

THE RIGHT HON. SIR FRANCIS BARING, BART., IN THE CHAIR.

The Right Hon. the Lord *Monteagle* of *Brandon*; further Examined.

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705. *Chairman.*] IS there any explanation that your Lordship wishes to make as to the Evidence that you gave on the former day?—I gave oral evidence on the subject of the change made with respect to the issue of the warrants for deficiency bills; it was a verbal explanation. I wish to put in a copy of the warrant itself in its former state, and of the warrant in its present state, which will make my evidence clear and intelligible by the production of the original documents.

[*The same were delivered in, and are as follow:*]

No. 1.

TREASURY WARRANTS for Issue of Deficiency Bills.

Former Warrant before the change made on 5 July 1854.

CONSOLIDATED FUND.

Note.—The words in *Italics* are omitted from the new Warrant, No. 2.

WHEREAS *by a certificate hereunto annexed, transmitted to us from the Comptroller-general of Her Majesty's Exchequer at Westminster*, it appears that the produce of the Consolidated Fund arising in Great Britain will be insufficient to defray the charge thereon in the quarter ended 5th of July 1854, by the sum of 4,029,289 *l.* 17 *s.* 9 *d.*

These are, by virtue of an Act 57 Geo. 3, cap. 48, intituled, "An Act to make further provision for the Adjustment of the Accounts of the Consolidated Fund of the United Kingdom, and for making good any deficiency which may arise in the said fund in Great Britain

Britain or Ireland respectively, and of the consent of the Governor and Company of the Bank of England to make advance on such Exchequer Bills as may be necessary to make good the deficiency of the quarter ended 5 July 1854," to authorise you to prepare and make out Exchequer Bills for the sum of Four millions and Twenty-nine thousand Two hundred Eighty-nine pounds Seventeen shillings and Nine-pence, in the same and like manner, form, and order, and according to the same and like rules and regulations as described in and by an Act, 48 Geo. 3, cap. 1, for Regulating the Issuing and Paying off Exchequer Bills, and in and by another Act, of the 4 & 5 Will. 4, intituled, "An Act to Regulate the Office of the Receipt of His Majesty's Exchequer at Westminster," and the Act 5 & 6 Vict., cap. 66, for Regulating the Preparation and Issue of Exchequer Bills.

The scrip of such bills to be in the words or to the effect following, that is to say:

_____ No. _____ £. _____ No. _____

By virtue of an Act, 57 Geo. 3, cap. 48, for making further provision for the adjustment of the accounts of the Consolidated Fund of the United Kingdom, and for making good any occasional deficiency which may arise in the said fund in Great Britain or Ireland respectively, and to direct the application of monies by the Commissioners for the Reduction of the National Debt. This Bill entitles the Governor and Company of the Bank of England, or their order, to £. _____, with interest for the same at the rate of Twopence farthing per centum per diem, chargeable and charged upon the growing produce of the Consolidated Fund of the United Kingdom for the quarter ended 10 October 1854, and payable out of the Receipt of Exchequer in Great Britain.

Dated at the Exchequer, at Westminster, the day of .

Which said bills are to be made out in such sums, and to be issued at such times and in such proportions as may be most convenient for the public service, and the said bills are to be issued to the Governor and Company of the Bank of England for the like amount of money to be by them advanced thereon, and placed to the account of Her Majesty's Exchequer standing at the Bank of England, and to bear date the same day on which such issues shall be made respectively, and you are to take care the said bills be numbered arithmetically according to the directions of the above recited Act, 48 Geo. 3, c. 1.

Whitehall, Treasury Chambers, this 6th day of July 1854.

(signed) *C. Fortescue.*
Alfred Harvey.

To the Comptroller-general
of Her Majesty's Exchequer.

Certificate of Comptroller-General for Issue of Deficiency Bills, annexed to the preceding Warrant, but now omitted.

To the Lords Commissioners of Her Majesty's Treasury, &c. &c. &c.

I hereby certify that the amount received on account of the Consolidated Fund of Great Britain will be insufficient to meet the charge for the quarter ending 5 July 1854 by the sum of Four million and Twenty-nine thousand Two hundred and Eighty-nine pounds Seventeen shillings and Nine pence.

£. 4,029,289. 17. 9.

Exchequer, 5 July 1854. (signed) *Monteagle,*
Comptroller-general.

Note.—This certificate is included in former Warrant, No. 1, but excluded from New Warrant, No. 2.

No. 2.

TREASURY WARRANT.

New Warrant after the change 10 October 1854.

Consolidated Fund.

Whereas it appears that the produce of the Consolidated Fund arising in Great Britain will be insufficient to defray the charge thereon in the quarter ended 10 October 1854 by the sum of 2,460,582 *l.* 0 *s.* 2 *d.*

The Right Hon. the Lord *Monteagle* of *Brandon*.

5 June 1856.

These are, by virtue of an Act 57 Geo. 3, cap. 48, intituled an Act to make further provision for the Adjustments of the Accounts of the Consolidated Fund of the United Kingdom, and for making good any deficiency which may arise in the said fund in Great Britain or Ireland respectively, and of the consent of the Governor and Company of the Bank of England to make advances on such Exchequer bills as may be necessary to make good the deficiency of the quarter ended 10 October 1854, to authorise you to prepare and make out Exchequer Bills for the sum of Two millions Four hundred and Sixty thousand Five hundred and Eighty-two pounds and Two pence, in the same and like manner, form, and order, and according to the same and like rules and regulations as are described in and by an Act 48 Geo. 3, cap. 1, for Regulating the Issuing and Paying off Exchequer Bills, and in and by another Act, of the 4 & 5 Will. 4, intituled "An Act to Regulate the Office of the Receipt of His Majesty's Exchequer at Westminster," and the Act 5 & 6 Vict., c. 66, for Regulating the Preparation and Issue of Exchequer Bills.

The scrip of such bills to be in the words or to the effect following, that is to say:

_____ No. _____ £. _____ No. _____

By virtue of an Act 57 Geo. 3, c. 48, for making further provision for the adjustment of the accounts of the Consolidated Fund of the United Kingdom, and for making good any occasional deficiency which may arise in the said fund in Great Britain or Ireland respectively, and to direct the application of monies by the Commissioners for the Reduction of the National Debt. This Bill entitles the Governor and Company of the Bank of England, or their order, to £. _____, with interest for the same at the rate of Two-pence per centum per diem, chargeable and charged upon the growing produce of the Consolidated Fund of the United Kingdom for the quarter ended 5 January 1855, and payable at the Receipt of the Exchequer in Great Britain.

Dated at the Exchequer, at Westminster, the day of

Which said bills are to be made out in such sums, and to be issued at such times and in such proportions as may be most convenient for the public service; and the said bills are to be issued to the Governor and Company of the Bank of England for the like amount of money to be by them advanced thereon, and placed to the account of Her Majesty's Exchequer standing at the Bank of England, and to bear date the same day on which such issues shall be made respectively, and you are to take care the said bills be numbered arithmetically according to the directions of the above recited Act 48 Geo. 3, c. 1.

Whitehall, Treasury Chambers, this 11th day of October 1854.

(signed) *C. Fortescue.*
Alfred Harvey.

To the Comptroller-general
of Her Majesty's Exchequer.

Also, connected with that change, I wish to put in a copy of the accounts which I prepared for the income and charge upon the Consolidated Fund, the quarterly accounts which I make up under the one system and under the other; the one will show the Treasury Warrant, and the other will show the variation in the account. Those are two official documents. The account by invariable custom was furnished quarterly by the Exchequer to the Government, the Bank, and the Commissioners for the National Debt. The note appended shows the incompleteness of the account, and its cause, and is added to each of the quarterly accounts made up since the alteration of practice by the Treasury on 10 October 1854. I was examined on the discrepancies between the Treasury and Exchequer accounts; and I gave oral evidence upon it, and marking particular passages in the different accounts. Here are the actual accounts themselves, showing those differences of practice, and the consequent discrepancies in the accounts; and I ask the permission of the Committee to put those in; for verbal examination upon accounts is a difficult thing to deal with. Here are the finance accounts that I adverted to, and also accounts of the same transactions, as appearing in the Exchequer accounts. The variances arising from the altered mode of proceeding will be manifest on inspection.

706. Mr. *Wilson.*] These are all before Parliament now, are they not?—The following is not. It shows the effect produced on my accounts by the act of the Treasury in withholding the information contained in the quarterly warrant for harges on the Consolidated Fund.

[*The following Paper was delivered in:*]

The Account now furnished quarterly by Comptroller-general, the change in the Treasury Warrant for Deficiency Bills rendering the completion of former accounts impossible.

AN ACCOUNT of the INCOME of, and CHARGE upon, the CONSOLIDATED FUND of *Great Britain*, in the Quarters ended 31st day of March 1855 and 1856.

INCOME.	1855. £. s. d.	1856. £. s. d.
Customs	4,362,233 2 2	4,986,000 – –
Customs remitted from Ireland	24,184 17 1	70,132 6 3
Excise	2,122,466 – –	1,916,000 – –
Excise remitted from Ireland	43,019 12 11	46,000 – –
Stamps	1,587,647 10 10	1,666,000 – –
Stamps remitted from Ireland	3,192 6 8	2,344 10 7
Post-office	630,000 – –	732,752 17 10
Assessed taxes	223,279 1 7	212,000 – –
Land tax	28,000 – –	37,000 – –
Property and income tax	5,468,949 5 5	6,403,000 – –
Property and income tax remitted from Ireland	14,867 6 9	7,970 13 6
Incidents	9 11 1	—
Hereditary revenues	2,053 15 1	661 12 5
Land revenue of the Crown	66,000 – –	67,000 – –
Monies paid, imprest monies, &c.	155,036 17 5	220,655 2 7
Monies paid by the trustees of the King of the Belgians	8,500 – –	8,500 – –
Surplus fees of regulated offices	4,727 16 5	14,217 9 –
East India Company	15,000 – –	15,000 – –
Unclaimed dividends, per Act 56 Geo. 3, c. 97	52,788 15 8	36,380 5 3
Monies raised by Exchequer bonds, per 18 & 19 Vict. c. 130	– – –	977,750 – –
Ditto – Exchequer bills, per ditto	– – – –	2,500,000 – –
Ditto – Loan of 5,000,000*l.*, per 19 Vict. c. 6	– – – –	3,501,000 – –
Repayments of advances for public works, &c.	107,385 15 5	186,906 14 4
„ „ West India relief	7,521 9 2	19,016 19 –
	14,926,863 3 8	23,626,288 10 9
Certain outstanding balances charged on the Consolidated Fund since 5 April 1853, not required for the public service	28,521 7 10	—
Ditto – ditto, since 5 January 1855	– – – –	15,624 6 11
CONSOLIDATED FUND £.	14,955,384 11 6	23,641,912 17 8
Contributions towards raising money by the issue of Exchequer bonds per Act 17 Vict. c. 23	407,902 1 –	—
Funding Exchequer bills, per Act 19 Vict. c. 5	– – – –	622,000 – –
TOTAL £.	15,363,286 12 6	24,263,912 17 8

CHARGE.	*Complete* Account to 31 March 1855, as made up *before* the Withdrawal of the Consolidated Fund Warrant. £. s. d.	*Incomplete* Account to 31 March 1856, as made up *after* the Withdrawal of the Consolidated Fund Warrant. £. s. d.
Bank dividends	5,616,461 11 7	
Reduction of the National Debt, per Act 10 Geo. 4, c. 27	—	
Life annuities, and for terms of years	404,108 18 2	
Bank of England annuity	84,008 2 1	
Bank of England annuity, per Act 4 Geo. 4, c. 22	292,870 – –	
Ditto, deficiency of dividends, per Act 56 Geo. 3, c. 97	—	
Civil list	99,647 10 –	
Annuities and pensions	81,507 11 8	
Salaries, courts of justice, diplomatic services, &c.	133,866 – –	
Russian Dutch loan	—	
Miscellaneous charges	30,615 14 8	
Interest on Exchequer bills	124 3 4	8,114 11 8
Advances by way of loan	186,586 8 11	
£.	6,929,796 – 5	
Income of the Consolidated Fund	14,955,384 10 6	
Charge on ditto	6,929,796 – 5	
SURPLUS £.	8,025,588 11 1	
Issued for current public services – In fund part of 10,634,087 *l.* 2 *s.* 4 *d.*, per 16 & 17 Vict., c. 107	11,805 – –	
„ 22,322,743 *l.* 9 *s.* 11 *d.*, per 17 & 18 Vict., c. 121	338,249 17 6	
„ 26,006,352 *l.* 12 *s.* 9 *d.*, per 18 & 19 Vict., c. 129	13,339,947 11 –	
„ 1,631,005 *l.* 1 *s.* 5 *d.*, per 19 Vict., c. 4	1,551,005 1 5	15,241,007 9 11
Exchequer bills issued, per Act 57 Geo. 3, c. 48, to make good the deficiency at 31 March 1856	3,879,749 12 11	
Exchequer bills at 31 March 1856, charged on the growing produce of the Consolidated Fund in the quarter ending 30 June 1856 £.		

Note.—The want of the information invariably furnished to the Exchequer until the 10th October 1854, and indispensably necessary to show the amount of the charge on the Consolidated Fund, makes it impracticable to complete these accounts in the accustomed manner. The same cause makes it also impossible to strike the balance and sign the certificate on which the amount of Deficiency bills which may be required for the public service formerly depended, and which was formerly recited as the voucher on which the Treasury Warrant for making out such Deficiency bills rests.

Exchequer, 31st day of March 1856.

Monteagle, Comptroller-General.

The Right Hon. the Lord *Monteagle* of *Brandon*.

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I was asked by an honourable gentleman, a Bank Director, what the extent of the control was that was exercised by the Exchequer upon the dividend warrants. I stated, I think, that the control was imperfect, which it is, and that I had relied to a certain extent upon the Treasury; that is the case; but I wish to state exactly to what extent it is imperfect. It is complete, except in respect of one very insignificant account. In the first place, with respect to the list of charges on the Consolidated Fund, annuities, pensions, salaries, courts of justice, diplomatic and miscellaneous expenditure; all these, both in England and Ireland, are exclusive of dividends, and amount to upwards of 2,000,000 *l.* annually. I produce the warrants which come to me for these issues, and I have the power, and am bound to apply myself to examine, not only the issues of gross sums, but to the detailed issue, examination, and control, ascertaining the legality of each separate sum. So far as the dividends themselves are concerned, with the exception of the account of stock transferred from England to Ireland, we are able to check the dividend warrants with accuracy, subject to the single exception I have named, so that in both respects, with the exception of the transfer account from Ireland, the matter is done correctly and rightly in my accountant's department. This account has not hitherto been furnished by the Bank of Ireland; but I have written to require its production in future; and the only defect existing, in itself but a trivial matter, will be supplied hereafter. To this extent I wish to correct my former evidence. Then upon the next point, some questions were put to me by the honourable Secretary for the Treasury. He asked me, supposing, in the event of Exchequer bills used for ways and means being at a discount, and consequently the amount realised by those bills, as compared with their value at par, being less than the latter amount, how the deficiency was to be made up. I said, if I had ways and means unappropriated in the Exchequer, it was my duty to make up the ways and means to cover the vote. That is a case which has never arisen to my knowledge, and is never likely to arise. It was a hypothetical case; but I have now a very important document to put before the Committee; it is a document in my office, a Treasury Minute, dated 26th of October 1810, addressed to Lord Grenville, providing what I consider to be a right mode of dealing with the contingency of a premium realized on the sale of such bills; it was addressed to the Auditor of the Receipt of that day. I wish to put it in.

[*The same was delivered in, and is as follows:*]

The Chancellor of the Exchequer acquaints the Board that he has had various communications with the Governor and Deputy-governor of the Bank of England upon the subject of the arrangements which it may be expedient to adopt for the issue of Exchequer bills, and that the following plan has been agreed upon as a temporary measure, and until the subject can be more fully considered, and that it should be acted upon during the current quarter; namely, that the Exchequer bills intended to be sold on account of the public should be taken by the clerks of the Bank from the Exchequer to the Bank, and be then placed to the credit of the Treasurer of the Navy, the Paymaster-general of the Forces, or the Treasurer of the Ordnance, on whose accounts they shall have been respectively opened; and that the officer of the Exchequer whose duty it shall be to deliver out such Exchequer bills, shall annex to each parcel thereof a note under his signature, stating on whose account such bills are issued, and the dates, numbers, and amount of all the Exchequer bills contained therein, and shall also deliver to the clerks of the respective departments for which the same shall be issued copies of such notes. The Bank will from time to time, during the usual bank hours, deliver the Exchequer bills so issued to the brokers appointed by this Board for the sale thereof, as they shall be authorised to apply for the same by drafts signed by the proper officer of the department on whose account the bills shall be lodged at the Bank; and the brokers shall pay the produce arising from such sales (exclusive of the interest and premium on the bills sold) to the credit of the Treasurer of the Navy, the Paymaster-general of the Forces, or the Treasurer of the Ordnance, as the case may be, on the day on which such sales shall have taken place, unless from any unavoidable circumstance any part of the money for which such bills shall have been sold cannot be received in the course of that day before the Bank closes for the receipt of money, in which case the same must be paid to the account to which it may belong early on the next morning; and shall on the same day pay the amount of the interest and premiums received on all the bills so sold into a separate account at the Bank to be raised in the names of Richard Wharton and George Harrison, Esqrs., two of the secretaries of this Board; and no department shall issue any more Exchequer bills to the brokers for sale until the produce of those sold on the preceding day for that department shall have been paid into the Bank as before directed; and in case any of the Exchequer bills issued to the brokers on any day shall remain unsold, no larger quantity of Exchequer bills shall be issued to them on any succeeding day; those, together with those remaining unsold in their hands, shall be necessary for the service required.

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The brokers are also to send to the respective departments on whose accounts the bills are sold, and also to the Secretaries of the Treasury a daily account signed by them, containing the amounts, dates, and numbers of the Exchequer bills sold, with the names of the purchasers thereof, distinguishing in the account transmitted to the Treasury, the respective departments on whose accounts the bills shall have been sold, and in addition to the above account, shall also transmit to the Treasury an account of the interest and premiums received on all the bills so sold and paid into the Bank, to the account of Mr. Wharton and Mr. Harrison. At the end of the quarter the respective departments on whose account Exchequer bills shall have been sold, are to transmit to the Treasury an account of all Exchequer bills sold for the service of such departments in the course of the preceding quarter, distinguishing the respective amounts, dates, and numbers of such bills, and the days of sale, and the names of the purchasers thereof.

And Mr. Wharton and Mr. Harrison will immediately, on the receipt of such account, examine the same with the daily accounts received from the brokers, and report thereon to this Board; and *their Lordships will thereupon direct a warrant to be prepared,* authorizing the payment to the brokers of a commission of 1 *s.* per cent. on all the Exchequer bills sold by them during the quarter to the public (no commission being allowed to them on such bills as shall be sold to the Bank of England), and *authorizing the payment of the remainder of the sums standing in the Bank to the account of Mr. Wharton and Mr. Harrison, into the Exchequer, to the account of the Consolidated Fund.*

My Lords approve of the arrangements proposed, and are pleased to direct that the several departments abovementioned shall, for the present, employ Messrs. Templeman, Cole, & Child, the brokers to the Commissioners for the Reduction of the National Debt, as their brokers for the sale of Exchequer bills."

This provides consistently with the principle for which I contend, for the execution of the duty of making up the amount of the ways and means, and providing, at the same time, against the absorption of the premium upon Exchequer bills by the Paymaster, when in excess of the Parliamentary vote. It provides that the bills should be sold in the market, through the Bank of England; that in this instance the Secretaries of the Treasury should be constituted trustees in relation to the premium and interest; that the premiums made upon those bills should be kept to a separate and distinct account at the Bank, and that they should be paid to the Consolidated Fund, or, in other words, paid to the Exchequer, the net amount only being payable to the departments of Navy, Army, and Ordnance. I beg to call the attention of the Committee to the annual Acts, the Ways and Means Acts, which give the power of providing for the public service by Exchequer bills. I have here a paper which contains the balances of Exchequer credits at the close of each financial year, from 1850 to 1856; it not only contains that, but contains also the number of heads of account to which the balance was applicable, being, for instance, in 1852, when there was a balance of 920,000 *l.*, it stood to 40 separate accounts. In the year 1856, when the balance amounted to 1,483,000 *l.*, it stood altogether with the Paymaster and three small accountants, the Mint, the Church Commissioners, and the Inclosure Commissioners, or to four accounts only. Practically speaking, the 1,400,000 *l.* stood then to the Paymaster's account.

Balance of Credits at Close of Financial Year.

			£.	*s.*	*d.*
28	Heads of Account	1850	747,034	9	2
29	„ „	1851	985,987	–	7
40	„ „	1852	920,052	15	3
23	„ „	1853	805,838	3	8
53	„ „	1854	242,477	18	1
21	„ „	1855	368,483	14	5
6	„ „	1856*	1,483,049	16	5

* In 1856, the Accounts are as follows:—

	£.	*s.*	*d.*	£.	*s.*	*d.*
Commissioners, Inclosure	5,360	–	–			
Master of the Mint, Bullion	11,181	–	–			
Secretary to Commissioners for building additional churches	1,123	–	–			
(Being 3 Accountants.)				17,664	–	–
(1 Accountant): Paymaster general, Army	400,000	–	–			
„ „ Navy	698,000	–	–			
Convict Establishments in the Colonies	367,384	–	–			
To Paymaster-General's credit			£.	1,465,384	–	–

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707. *Chairman.*] Will you have the goodness to state to the Committee what the practice has been with regard to the great services, the Army, the Navy, and the Ordnance, and with regard to the Miscellaneous Services; the practice and the law differ, do they not?—Am I to understand by that, the terms in which the votes are taken?

708. The terms of the Act of Parliament, and the way in which the votes are taken?—The terms in which the votes are taken vary considerably; they seem to me to vary somewhat fancifully; it seems to me very difficult to reconcile the words used to any principle; some votes are taken "*for the year*;" others are taken "*for payments up to*" a given time, a fixed period, we will say "*the 31st of March*," in the year, which means pretty nearly the same as for the year. The votes for the great services are to provide "*for the means of meeting payments which become payable within the year*;" the Army, Navy, and Ordnance, come under that category; the phrases are sometimes varied; but I am not able to resolve them into any fixed reason or principle applicable throughout; as, for instance, the words are different if you take the vote to the 31st of March, or if you take the vote for the year ending on that day. With respect to the votes for Army, Navy, and Ordnance form, the words of the vote differ, but the issues are made from the Exchequer in the same manner. Resorting to the mode of dealing with Ways and Means Exchequer bills, looking at the words of the Acts, it appears that it is not contemplated to use Exchequer bills, but the money raised upon those Exchequer bills; what is contemplated by those Acts is the sale of the Exchequer bills, the payment of the produce of that sale into the Exchequer, and the issues from the Exchequer, under the provisions of the law and the votes of Parliament of the sums realised by such sales of Exchequer bills. In that way there will neither be the question of premium to deal with in the way of returning, nor of discount to be supplied; and any abandonment of that principle is, in my judgment, objectionable. There are, however, precedents for the abandonment of that principle, and I do not speak of it as being anything erroneous in point of law, but any abandonment of it introduces the confusion to which I have referred, and on which I have been examined.

709. Mr. *Wilson.*] Perhaps your Lordship may remember, on the last day, stating that under the present change of system pursued at the War Office now, compared with what it was, everything being concentrated into the hands of one Paymaster, the effect was materially to increase the balances; and, as an illustration of that, you stated that the balance in the hands of the Paymaster-general of Exchequer Credits, on the last day of the last quarter, was 1,400,000*l.*?—Yes.

710. And which you stated, although standing to the Exchequer account in the book still, yet being issued to his credit, was entirely out of the Comptroller of the Exchequer. I wish to ask your Lordship whether, on the last day of the quarter, by Act of Parliament the whole of the money remaining in the Consolidated Fund, that is, on the evening of the 31st of March, is not applicable to the payment of the public dividends?—Certainly, all that is to the Exchequer account. On the 31st March 1856,

The Irish Exchequer balance amounted to - -	£. 1,283,574
And the English to - - - - - -	4,319,573
Total - - - - -	£. 5,603,147

being the balance of income, independent of credits.

711. The whole of the money remaining to the Exchequer account on the evening of the 31st of March, is applicable to the payment of the public dividends?—Certainly.

712. Then does it not, in consequence of that, become absolutely necessary to provide for the supply services which shall come in payment during the following fortnight or week, a large sum in the hands of the Paymaster, prior to the arrival of the evening of the 31st of March, to enable him to make his payments?—It must be necessary for him to strengthen his balance; but my evidence referred to anterior years as well as the last, and I showed too what the increase, under the new system, was. I have now the figures before me, showing the details of these balances. I have here the balances at the close of the years 1854, 1855, and 1856.

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BALANCE OF CREDITS.

	£.	s.	d.
5 April 1854, Balances of credits, Bank of England - - -	242,477	18	1
31 March 1855 „ „ - - - -	368,483	14	5
31 „ 1856 „ „ - - - -	1,483,049	16	5
Excess in 1856 over 1855 - - - £.	1,114,566	2	–

DETAILED ACCOUNT.

Balance of Exchequer Credits: 31 March 1855.	£.	s.	d.	Balance of Exchequer Credits: 31 March 1856.	£.	s.	d.
Inclosure Commissioners, Improvement of Land - - - -	3,423	–	–	Commissioners, Inclosure - -	5,360	–	–
Aid, British Guiana (Agent Crown Colonies) - - - -	1,407	–	4				
Master of the Mint, Bullion -	28,932	12	10	Master of Mint -	11,181	10	10
Paymaster-general:							
Civil List - - - -	43,125	–	–				
Army - - - -	50,000	–	–	Paymaster, Army -	400,000	–	–
Ordnance - - - -	50,000	–	–				
Holyhead Harbour - -	8,500	–	–	Paymaster, Navy (none in 1855) -	698,000	–	–
Harbours of Refuge - -	17,000	–	–				
South Wing, Buckingham Palace - - - -	6,000	–	–	Balance of Credits:			
Mint Expenses - - -	20,000	–	–				
Insolvent Debtors - -	2,820	–	–	Paymaster, Convicts (none in 1856) -	367,384	11	–
Prisoners and Convicts -	15,000	–	–				
Maintenance of Prisoners -	8,000	–	–				
Public Education, Great Britain - - - -	25,000	–	–				
Science and Art - - -	6,000	–	–				
Governors, West Indies -	5,000	–	–				
Justices, West Indies - -	30,162	1	11				
Consuls - - - -	28,000	–	–				
Statue, King Charles - -	40	–	–				
Salaries, Departments - -	18,000	–	–	Commissioners, Churches - -	1,123	14	7
Churches (Dr. Jelf) - - -	2,073	19	4				
£.	368,483	14	5	£.	1,483,049	16	5

713. The former years to which you have adverted were years of peace, with the exception of 1855?—The earlier years in the series first given were so. But 1854, 1855, and 1856, came under a different category. I believe I stated in my evidence, that with respect to a portion of this last increase of balance with the Paymaster, it was probably attributable to the war expenditure.

714. If the Paymaster-general had not been put in funds before the evening of the 31st of March to a large amount, he could only have relied upon the receipts of the revenue after the 31st of March to make his current payments?—That applies to balance of credits for Army, Navy, and Ordnance alone; but I find that he is put in funds for 367,000 *l.*, the convict expenses in the colonies, which leads me to imagine that it was possible to be used for other purposes than that for which it was issued. Why was this large sum withdrawn from the Exchequer account on the 28th and 29th of March; and the entire sum, 367,384 *l.*, taken to the Paymaster's working accounts between the 1st and 3d April. This could not have been for the purpose for which it was nominally issued.

715. I want to know this: would the Paymaster-general have any source from which he could pay his current expenses, whatever the urgency of those expenses might be, except from the accruing revenue, after the 31st of March?—Certainly not, if his other balances were exhausted.

716. The whole of the money at his command on the evening of that day is absorbed, is it not, to the last penny for the dividends?—Yes, as applicable to the

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the funds for which it was appropriated; but this is not peculiar to this year. It is only describing a deficiency.

717. Is your Lordship aware that we had in March of this year a loan of 5,000,000 *l.*?—Yes.

718. Is your Lordship aware that one of the dividends on that loan was payable on the 30th of March?—I cannot speak from memory of the date.

719. And therefore, that instalment of the loan being paid on the 30th of March, would fall into the Consolidated Fund; would all moneys in the Consolidated Fund be handed over to the Bank for payment of dividends on the 31st of March?—If there were not funds otherwise to be had for that purpose, when the dividend became due, undoubtedly they would. The case is, however, no novelty in this respect. It must be the same in all years where deficiency bills are required.

720. The whole of the Consolidated Fund up to the amount of the dividends?—Yes; as usual in such cases; it cannot be otherwise. But it never before, in my experience, led to such accumulation of balance in the hands of the Paymaster as in March 1856.

721. Does your Lordship remember that the next instalment upon that loan was payable on the 26th of April?—No; I cannot speak to that from memory. I can give the information from the accounts.

722. If I state that it was payable on the 26th of April, your Lordship will admit, of course, that there was no further part of the loan applicable to the supply services until the 26th of April?—I rely upon the accuracy of the questioner, but cannot speak from memory.*

723. Therefore, notwithstanding the loan that we had for the purposes of the war, one instalment being payable on the 30th of March falling into the Consolidated Fund, and being absorbed in the payment of dividends, the next instalment being payable on the 26th of April, the only sources that the Paymaster could have for paying the current expenses of the year, would be from the accruing revenue in the intermediate period?—Yes.

724. If the fact was, that from the 1st of April 1856 to the 7th of April, the first week, the revenue receipts which we expected, and which really were received, were 770,000 *l.*, and that the necessary payments, of which we were aware, from the different departments, for the war and otherwise were 1,897,000 *l.* during that same week, leaving a balance between the receipts which alone could have been applicable to those purposes, and the payments which the Government was bound to make, of 1,127,000 *l.*, I ask your Lordship in what position the Government would have been had they not put the Paymaster on that day in receipt of the very large balance as you have stated?—I have no doubt that the balance required to be recruited at that day, but to what extent I know not; I stated that in my former evidence, I think; but how that balance was to be applicable in the way mentioned, by a large sum taken for a different service altogether, unless it is to be admitted that the money issued for one service was, by right, applicable to another, which I deny, I cannot understand. I do not see how that balance for war expenditure could have been lawfully recruited by an issue for colonial convicts to the extent of 367,000 *l.*

725. I ask you whether you were not aware that the rule is to keep the Paymaster's balance as low as it is practicable on Exchequer credits, and that in point of fact, in the majority of days his balance is nothing at all?—I am not enabled to say how the transactions of the Paymaster's office are carried on, except so far as it stands exposed upon the Minutes now before the Committee, on the Exchequer warrants and on the Bank returns, which show me the account withdrawn from the Exchequer credits. I should refer to the Paymaster for the information sought for.

726. You are not aware that the rule of the Treasury is, that they issue to the Paymaster, from day to day, the exact amount as nearly as it can be computed, of the requirements of that day upon the Exchequer credits?—Does the honourable Member mean the issue from the Exchequer credit account, or to the Exchequer credit account.

727. The issue of Exchequer credits upon the Exchequer credit account?—I believe that is the rule; I think it ought to be the rule.

728. If

* By subsequent reference to 19 Vict., c. 6, s. 2, it would appear that an instalment of 15 per cent., or 750,000 *l.*, become due on the 10th April; and the Exchequer books show that 752,000 *l.* was actually paid into the Exchequer, 11 April.—Exchequer, 11 June, *Monteagle*.

728. If it be the rule to issue only from day to day as much as will keep the Paymaster in funds from the Exchequer, he cannot have as a rule any material balance accumulated at his command?—Pardon me; supposing that rule laid down and carried into effect, it will limit the amount which he has upon his Exchequer credit account, but of what he may have transferred to his drawing and bill account I know nothing.

729. Are you not aware that his drawing accounts are only fed from day to day from the cash accounts of the Exchequer credit account?—To what extent they are fed I know nothing complete. I know, however, that on the 1st and 3d April 1856, a sum of 367,384 *l.* was withdrawn from the Exchequer credit account, which was legally applicable to colonial convict service. To what it was applied I know not.

730. I will read to you the state of the balances at the end of every year, furnished from the Bank to the Treasury for the quarter; on the 29th of March, which was the day before, when the balance had been strengthened with a view to the 31st, it was 881,434 *l.*; 22nd, nil; 15th, 408,700 *l.*; and they were Exchequer bills; 8th, nil; 1st, nil; February 23d, nil; 16th, nil; 9th, nil; 2d, nil; January 26th, 80,000 *l.*; 19th, nil; 12th, nil; 5th, 40,000 *l.* Those are the balances which remained on Exchequer credits at the command of the Paymaster, at the close of every week during that quarter, and upon which alone he could operate at that time. Is it your opinion that that state of things would bear out the reply that you made to Question 576. "But where you have the offices united, you have a confusion of account, and a larger balance; and when I tell you that the balance at the close of the last quarter on Exchequer credit accounts which might be all operated upon by the Paymaster himself, amounted to 1,400,000 *l.*, you will see that at no previous time was such an amount at his command;" an answer which conveyed the impression that the Paymaster had very unnecessary balances at his command; would that state of facts alter your view?—That state of facts speaks for itself; but the Committee would not have before them all the elements of an accurate judgment, without seeing what other funds, beyond the Exchequer credit account, were at the command of the Paymaster. It leaves untouched the fact that the Paymaster's balance, 31 March 1856, amounted to the sum I stated, 1,483,049 *l.* It omits all notice of his cash balance, of his bill and drawing accounts, and of any other sums remaining in his hands. These returns are indispensable in order to answer the question, and also on account of the expenditure of the 1,483,000 *l.*, and of all other issues in April 1856.

731. Your Lordship is aware that by the rule he must exhaust his cash account before he takes his Exchequer account?—That is the rule laid down; how far it is acted on, I know not.

732. Your Lordship is also aware that the drawing accounts are fed from day to day only from the cash account of the Exchequer account; therefore, the Exchequer account, being the last resource, ought to show the greatest amount at his command at any particular time?—Supposing all those rules observed, I conceive that it would.

733. *Chairman.*] Where there is a surplus in the votes for the year, is that returned into the Exchequer, or in what way is it dealt with?—The great services come under the regulations of what we call Sir James Graham's Bill, originally passed for the Navy, and afterwards applied to the other great services, and from the annual accounts presented Parliament have before them the exact state of the expenditure for the great services, and as far as I can observe,—and honourable Members here know that as well as I do,—there are savings declared, and those savings being once declared to me, I receive a letter from the auditor to know whether they are declared in such a manner as will preclude the re-issue of any of those sums which have been declared savings for the greater services. My answer is, that my books are so regulated, that these sums made savings cannot be afterwards drawn, and that closes the transaction. The amount of savings rests between the auditors and the authorities of the great service departments and the Treasury; I have no reason to doubt that this duty is carried on with efficiency with regard to the public service; but no official information is given me on the subject of the mode of proceeding; I am only cognizant of the result.

734. What I wanted to know was this. Suppose in the naval service the Paymaster may have drawn, either into his Exchequer credits or into his own account, beyond what was absolutely necessary for that service, and beyond what

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what would have appeared to have been expended for that service, do you know in what mode any such surplus is dealt with?—You must divide the question. Suppose a surplus standing to the Exchequer credit account first. you ask how this is dealt with. There have been very few such cases; I think only two or three; I have traced some of them; I believe they were old cases, occurring before I was in office in the Exchequer, in which, at the desire of the Treasury, on finding a surplus upon a particular Exchequer credit account, the Treasury have authorised the re-transfer to the Exchequer account properly so called to the Consolidated Fund. This rests with the Treasury entirely, and I carry into effect their desire upon the subject. I have no means by law of judging whether this sum is in excess or not; I know not what demands may be upon the balance of the vote; but if the Treasury reported that unexpended excess to me, and authorised me to have it transferred to the former account, I should not hesitate to do so, but I have no means whatever given me by law of acting spontaneously in this respect as Comptroller.

735. With regard to Exchequer credit accounts they cannot be drawn upon after the termination of the year, can they?—Does the honourable Chairman mean the Exchequer credit accounts for the Army, Navy, and Ordnance?

736. Yes; how is that?—I do not draw upon that account at all, either at termination of the year or before. The Committee will get that information better from the Paymaster, who does draw upon that Exchequer credit account. I have no control over it; it has passed altogether out of my hands.

737. Supposing it is not an Exchequer credit, but supposing it is a surplus in the hands of the Paymaster?—If it has been transferred from the Exchequer credit account either to his drawing account or his bill account, that is to be dealt with as the Treasury think fit, subject to the legal appropriation under which it has been issued from the Exchequer, which controls it throughout; it is out of my control. I know not how it is dealt with, but I know this, that the Treasury frequently declare certain amounts to be savings; they communicate with me; I also at times communicate with them, showing unissued balances, and, if they think fit, they declare those unissued balances as savings in the same way in miscellaneous matters, as they do through Sir James Graham's clauses in the great services; but those clauses, and that system of audit, apply only to the great services, and not to miscellaneous matters; therefore those savings declared by the Treasury are their own individual act, and not the result of any force, I may say, *ab extra*, which is put upon them. The suggestions I thus occasionally make may be considered to be *ultra vires*, not being required by law; but I have made them on various occasions, and they have never been complained of, but, on the contrary, they have been acted on by the Treasury.

738. But in the great services to which I confine myself, do they merely declare the unissued balances?—In respect to the great services, supposing the regulations, as I collect them from the minutes, are carried into effect, namely, that the cash account and the bill account are fed from day to day only; if that is complied with there can be very little saving there, therefore it is a balance upon the Exchequer credit account that could be by that hypothesis a saving. The Exchequer credit account has been in a few instances worked upon by paying it back into the Exchequer, but there are very few instances of this.

739. Whatever the declaration is, it is a declaration of what is in the Exchequer; is that from an account furnished by you of the balances unissued from the Exchequer?—This has no reference to the Exchequer account properly so called; it applies to the Exchequer credit account, which is different from the Exchequer account; one is mine, upon which I alone can act; the other is an account upon which the Paymaster acts. As to any declaration of savings, I have nothing to say further than that which I have mentioned. I have reported to the Treasury on balances unissued on the votes, which was rather going beyond my ordinary functions; I have had no concern in the Exchequer credit account; it rests with the Paymaster, and the Treasury alone can know what there is of savings, for they alone can know the demand which there is upon the fund.

740. Now as to the Miscellaneous Estimates not under Sir James Graham's Act; in those estimates there is no examination under that Act, and no declaration that the surplus is unexpended?—No, there is no such examination as that, and I have thought it a great defect in the principle of the law; but without any law for the purpose, whenever I have found any accumulation of balances

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balances of that description, though I have no authority to deal with it myself, I have occasionally reported the amount of accumulated balances to successive Boards of Treasury, and the Treasury have, in cases which I have now before me, upon that report inquired into the matter, and made those balances savings, thus making them future ways and means. I will give the Committee, as an instance, an important one: in the year 1848, in the month of March, I called the attention of the Treasury to certain unissued balances on the Consolidated Fund, charges outstanding in the months of July and January, forwarding a statement of those balances; I did that again in 1851, and I find that the Treasury in reply directed certain balances to be declared savings, and requested the Comptroller-general to report particulars. In the case of the Queen Dowager's annuity there was a saving upon that charge of 25,000*l.*, in consequence of the law regulating the original grant. I find that there is a vote for public works, also granted in the year 1841, and the last issue upon that subject was in the year 1854; for the Indian Department in Canada there was a large vote in the year 1849, and the last issue was in November 1854; and then the balance of the vote was declared a saving by Treasury Minute. There were a variety of cases of this description, as to which I had always found the Treasury thankful for any suggestion I might make to them upon points on which such a saving might be effected, and they were ready to apply it, but I may refer the Committee here to the Exchequer Report of 1834, in which they give a recommendation for a systematic rule on this subject. This rule should, in my judgment, be adopted.

741. Did I understand you rightly, that there was a vote in 1841 for public walks, and that in 1853 there was an issue upon that vote?—Yes, there was, and another issue in 1854, which closed the issues. Here is another case; these were balances of votes remaining in the year 1852, on the 29th of March; they were certain old balances of Exchequer credits, namely, Danish claims, 94*l.* 17*s.* 8*d.*; instruction of Negroes, 1,100*l.*, and Spanish claims, 1,136*l.*, making 2,331*l.* These were voted in 1839, 1841, and 1845 respectively. Those were withdrawn in the year 1852 from the Exchequer account; at that time they were very old balances, but they were returned to the Exchequer account by the Bank of England as being payments actually made by the Governor and Company of the Bank of England on account of the credits which were so granted; they were credits for the several parties for those specified services; but on the 15th of December 1852 the very same identical balances above-mentioned, which had been voted in the years stated, were, without diminution or alteration of any kind, with others, repaid to the Exchequer account under the authority of the Treasury. Thus they were drawn previously for specified payments; they were kept from the time that they were first drawn until they were repaid in the hands of the Paymaster-general, and then the same sums were repaid to me, showing that they had never been applied for that appropriated purpose at all, but had been the whole of that time in the Paymaster-general's hands, applicable to other purposes as part of his balance.

742. What time were they in his hands do you suppose?—They were drawn out under the circumstances which I have stated on the 29th of March 1852; evidently they were not employed for the purposes for which they were drawn, and they remained in the Paymaster's hands until the 15th of December of that year, when they were repaid in the sums as issued.

743. That is a case in which they had been in the Paymaster's hands. Except that repayment, are there any other cases of repayment from the Paymaster into the Exchequer?—There are, I have no doubt, but I will fill up the answer with other cases if required.

744. There was a vote of 80,000 *l.* for the Duke of Wellington's funeral, and it has been stated that a sum of money to the amount of 25,000 *l.* beyond what was actually expended remains over; does that remain in the Exchequer?—It does not. It has been in the Paymaster's hands since April 15th, 1853, or more than three years; the facts of that vote are somewhat peculiar; I shall confine myself to the question of the Duke of Wellington's funeral, without adverting to other votes that were taken at that time. The facts were these: the expense of the funeral of the late Duke of Wellington was estimated at 80,000*l.* The vote took place in the short Session during Lord Derby's Government, in November 1852. I was asked to issue the amount of that vote. I was applied to most urgently by the Board of the Treasury, but I declined doing so, because from the terms of the vote it was not lawfully

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applicable to the service of the year. I said, you must wait for the issue till the period comes for which it is appropriated by Parliament; when that period came I issued, on the 1st of April 1853, 10,000 *l.*, on the 5th of April 4,000 *l.*, and on the same day 66,000 *l.*, being a total of 80,000 *l.*; and I got certificates from the Bank of England of actual payments on the 2d of April of 10,000 *l.*, on the 13th of April of 40,000 *l.*, and on the 15th of April of 30,000 *l.*, balancing the 80,000 *l.* voted by the 80,000 *l.* certified as payments. I have since seen, as the right honourable Chairman suggests, the statement reported to have been made in the House of Commons, that 25,000 *l.* of that has not been expended; that 25,000 *l.* has consequently been in the hands and under the control of the Paymaster from the month of April 1853 up to the present time in 1856. This must have been in his balance which he is directed to exhaust, and must consequently have been used for other purposes. That was included in the sum issued and certified to me as the final payment for that service by the Bank in April 1853; and it thus appears that there has been 25,000 *l.* from 1853 to 1856 remaining in the Paymaster's hands. I beg to hand in the following statement with regard to this vote.

[*The same was delivered in, and is as follows*:]

7 December 1852. Voted (on Estimate) for Expenses of the Funeral of the late Duke of Wellington, £. 80,000.

Credits to the Paymaster-General on Exchequer Account at Bank of England.	£.	Certified payments actually made by the Bank of England.	£.
1 April 1853	10,000	2 April 1853	10,000
5 „ „	4,000	13 „ „	40,000
5 „ „	66,000	15 „ „	30,000
	£. 80,000		£. 80,000

See Correspondence, Vol. 7, p. 240, 241, 242, 243, 244, 245, 247, 248.

745. Have you got the certificate of the Bank by accident with you?—No, but I can procure it.

746. Will you just state that part of the Bank certificate so far as the form goes?—The Exchequer Act forbids the transfer being made from the Exchequer credit account, if I recollect rightly, without the Bank knowing that it has been paid over first. I think those are the words of the Exchequer Act, 4 & 5 Vict., c. 15, s. 14.

747. Have you any certificate of the Bank by you; I want the form of words in which the certificate is given?—No, not here; but I will supply that. In this case the 25,000 *l.* was out of the hands of the Exchequer; it passed out altogether under a certificate of payment actually made by the Bank of England. I was wrong in saying that the surplus was 25,000 *l.* I see it was 24,886 *l.*

748. Do you know where that is?—No, it is out of my hands; it is not in the Exchequer account, and it has been out of the Exchequer credit account since April 1854. I have traced it by the certified payments specified above into the hands of the Paymaster-General.

749. If it had been returned through the Exchequer in any shape, must you have known of it?—It was never returned. I must have known of it if it had been returned.

750. If it had been declared as an unexpended balance, must you have known it?—I must have known it. I know that it was issued from the Exchequer account, and it has not been repaid.

751. With regard to civil contingencies, how is it with regard to them; the civil contingencies are somewhat of a different nature from the usual vote; it is more like the Commissariat Chest Vote; is the surplus of one year carried on to the expenditure of the civil contingencies?—I believe very regularly a sum equal to the whole of the Civil Contingencies Vote is exhausted in the year. The Committee will see from a paper that I have put in, that the amount of the Parliamentary vote for the civil contingencies is greatly reduced of late; and the whole of the Civil Contingencies Vote was exhausted in the Exchequer.

752. When you say "exhausted," you mean that it has been drawn out of the

the Exchequer?—That it has been drawn out of the Exchequer account, properly so called; it is taken annually from the Exchequer account, over which I exercise control; that is a vote which is placed at the unreserved disposal of the Government, for the general purposes for which no special vote has been taken.

753. Your Lordship is aware, probably, from the accounts that must pass before you, that during these last three or four years, the expenditure on the Civil Contingencies Vote has been considerably under the vote itself; the Civil Contingencies Vote being 100,000 *l.* a year for some time, for the last three or four years, the civil contingencies expenditure has been declared to Parliament to be under 80,000 *l.*, or about 80,000 *l.* a year, and that 20,000 *l.*, which has been the surplus for these three or four years, is not in the Exchequer?—That is not in my Exchequer account.

754. Not in the Exchequer credits?—No.

755. If it is anywhere, it must be in the Paymaster's office?—I am not quite certain whether it may not stand, or a portion of it, to the Exchequer credit account, but that is equally out of my control. I think it can be explained in this way. If I found, when I was connected with the Exchequer and the Treasury, that there had been, say, a saving of 20,000 *l.* in one year in the civil contingencies, I considered that as so much available for the service of the next year, and diminishing the amount of the vote of Parliament by so much. This did not appear on the face of the estimate or vote, I believe, but it affected the amount asked for.

756. Is there any balance in the Exchequer on the civil contingency account?—My own impression is, that there is no balance, and has been no balance for a considerable time; no Civil Contingency Vote in the Exchequer or placed within my control at all after its issue.

757. Therefore, if it is not in the Exchequer, nor to the Exchequer credit, the surplus must exist in the hands of the Paymaster, must it not?—That is my supposition; but of that the Paymaster will be a better judge than I.

758. Have you any mode of checking what there is remaining from the civil contingencies in the hands of the Paymaster?—No. The Committee will always see that I am bound to obey the Act of Parliament. If there has been a vote given upon a given amount, I must give it in the terms of the vote; if Parliament intended it to be for a lesser sum, or that there should be a deduction, by reason of the Exchequer balance, they have only to state it on their vote, and I carry it into effect. If the vote is absolute the issue must be absolute. I judge of that from the printed papers.

759. Have you those printed papers before you?—Yes.

760. You state that it was your practice, that if there was a balance from the former votes, you deducted it, and took a vote for less, leaving the expenditure, say, at 100,000 *l.*?—Yes; I think that is the course I should have taken at the Treasury in preparing the estimate, and it may be taken by the Treasury now for what I know. If I had a sum applicable to that service which enabled me to reduce the expenditure of the next year in drawing up the Estimates for the Civil Contingencies, which is done in a single line, I should have diminished the amount by so much in the vote.

761. Your Lordship must know by the Vote Warrants that the vote has not been diminished in the last three or four years?—No; but the vote has been greatly reduced in a series of years, from the average of about 250,000 *l.* to 100,000*l.*

762. I was asking what became of the surplus?—That I cannot tell. The control over monies which issued from the Exchequer does not rest with me by law. The Paymaster, I should think, would give an explanation of that.

763. With regard to the Civil Service Votes, you have stated that they are not under the same supervision as the great service votes under Sir James Graham's Act, and under the Audit Board, and the different checks that there are upon them; does your Lordship see any objection whatever to placing the Civil Service Votes under the same control and checks, giving Parliament the same knowledge of the facts of a surplus or a deficiency, as exists in the case of the great service votes?—I not only see no objection, but consider that there is every reason for taking that course. I am sure that it would be a great assistance to the Treasury itself, bringing under its notice that which is of serious inconvenience to the public service, but which, in the press of business, must occasionally be forgotten; I mean outstanding balances upon any

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any votes or accounts whatever; it would give the Treasury the immediate means of sweeping off those small balances which are open to objection, and of closing the accounts. This duty is not assigned by law to me, though, as already stated, I have on various occasions suggested it to the Treasury.

764. At the present moment your Lordship is not aware of any power which gives Parliament a knowledge of the balance existing in the Pay Office upon any of those votes?—I have not the means of knowing. There is no law requiring the communication of such knowledge systematically to Parliament. It is an account which could always be produced if moved for.

765. With regard to the Civil Contingencies Vote, it probably might be necessary to take a larger vote than the 100,000 *l.*, in case it was placed under the supervision of the Audit Board?—It might, though I do not exactly see why. The Civil Contingencies Vote is a banking account made up of advances and of repayments, to a certain extent: if a picture is to be bought, it is perhaps bought out of the Civil Contingencies Vote, an estimate is afterwards submitted to Parliament, and the civil contingencies are repaid out of the vote, for the money originally advanced for the picture; it is a very convenient and necessary part of the financial service of the country; you could not get on without some power of that description.

766. The Commissariat Chest Fund comes in no way into the Exchequer, does it?—The Commissariat Chest account is, in principle, very analogous to the Civil Contingencies Vote; it is a banking balance, and stands to the credit of the Government, and out of that chest advances are made for various services, Army, Navy, Ordnance, and Colonial; when those services are voted the repayment is made to the Commissariat Chest Account. That is the general leading principle of the matter, but it does not come under my control at the Exchequer. This fund rightly managed should not decrease; the repayments should balance the advances. The Civil Contingency Vote is different; there is a vote upon that, and it includes final payments; but there is no vote with respect to the Commissariat Chest Fund.

767. The Contingency Vote is partly payment of final expenditure, and partly lending and receiving repayments?—Yes, it is.

768. Mr. *Wilson.*] You have been asked with regard to the different natures of the votes, and you have stated very properly that they are in different terms; that the votes for the great services are made for services payable within the year?—Yes.

769. That wording is clearly adapted to the regulation of Sir James Graham's Act, where no payments can be made from those votes excepting those made within the financial year?—Yes.

770. Another term is for the sum of money for the service "in the year" 1855–56?—Yes.

771. That vote would be applicable only to that particular service within that particular year?—Yes.

772. You have also stated that there is another term used, "up to the 31st of March in the following year," which is not the financial year; that would be analogous to the last, and be applicable only to the particular service within that particular year. With regard to salaries, it would be applicable to the payment of salaries falling due within the year; but there is another class of votes for which there is no term specified at all for specific services; for example, the one your Lordship quoted, namely, a vote for public works of 10,000 *l.*?—Yes, the execution of the given work, without reference to time, is the object contemplated. But it seems clear that if the work is completed or abandoned, a saving of the vote should then be made.

773. And the vote for the funeral of the Duke of Wellington of 80,000 *l.*?—Yes.

774. Those two votes would be applicable to any expenditure on those accounts, at whatever period the Treasury found it necessary to make the issue?—Certainly, provided the expenditure was made for the purpose voted, and no other.

775. With regard to these there would be no limit in point of time; therefore, the four distinctions in the wording of the votes are clearly explained by these four distinct principles?—Yes.

776. You were asked the question whether an issue had been made as lately as the present year upon that vote of 10,000 *l.*, which was taken in 1841 for public walks?—Yes.

777. Is

777. Is it not strictly in accordance with Parliamentary rule that until that vote has exhausted the specific works for which it is granted, that vote may be acted upon by the Treasury till it is exhausted?—Certainly, that is the legal state of the case. I hope I was not misunderstood as suggesting anything illegal in that; but it cannot be diverted from the purpose to which it was appropriated without the commission of a breach of the law.

778. With regard to the vote of 80,000 *l.* for the Duke of Wellington's funeral, the vote was taken in November 1852, and the issue of money was made in the month of April 1853?—Yes, the whole sum was issued on 15 April.

779. Your Lordship is aware that the Treasury had the full right to have that money issued to the Paymaster, in anticipation of the expenditure which was contemplated by Parliament, to the full amount?—Yes, for that funeral, but for no other purpose.

780. In a service of that kind, where there are many persons employed, and when it is difficult to get their bills in for a considerable time, and when they may be subjected to a great deal of contest and examination afterwards, is it not obviously impossible to issue the exact amount required; may it not be convenient to issue the whole amount, and pay the bills as they come in?—There is nothing illegal in it, if, in point of fact, circumstances exist to justify the retention of 25,000 *l.* for so many years; but that would not justify the application of this money to other purposes.

781. Then until the whole of the expenses connected with the service of the Duke of Wellington's funeral are ascertained, and we are sure that all the outstanding claims have come in and have been adjusted and paid, the Treasury would be justified in keeping the balance in the hands of the Paymaster, until they could ascertain what saving would ultimately be made on the vote?—I think that the more prudent course would have been leaving such sum in the Exchequer until it was wanted; it has been in the hands of the Paymaster for more than three years, and at his disposal.

782. Supposing it out of the Exchequer, with the expectation that it would be all wanted within a very moderate period?—It was drawn on the 5th of April 1853, and now there is 25,000 *l.* taken out of the Exchequer, which has been for that interval in the hands of the Paymaster; and what has it been doing all this while?

783. Has there not been a payment made from that sum in the present year?—There has been no such payment made; the whole was drawn from the Exchequer account on the 5th of April 1853, and the last payment certified to me was on the 15th of April 1853, exhausting the whole of the vote.

784. When you speak about the last payment, do you mean the payment by the Treasury, or do you mean the transfer from the Bank of England to the Paymaster's credit account?—I mean the transfer from the Exchequer credit account to the Paymaster's account; I have used the word "payment," and the questioners have used the word "payment" in that sense. I make no payment properly so called; I do not pay a farthing in cash from the Exchequer.

785. If the Treasury had to make payments on behalf of the service, the Paymaster must be placed in Exchequer credits on that vote in time to make those payments, and when you say that the last payment which was made was in the month of April 1853, all that you mean is, that that was the last date when any part of the vote was transferred from your account in the Bank of England to the account of the Paymaster?—The last issue from the Exchequer account was 5 April; the last issue from the Exchequer credit account to the Paymaster's drawing account was 15 April 1853.

786. Therefore you have no cognizance of the payments which the Paymaster had to make with the funds in his own hands?—No. It may have been applied, and must have been applied in my judgment, to other purposes in the meanwhile. The Paymaster is instructed to exhaust this account. I find in the finance account of the year 1853 ending January 1854, showing how the monies of the year 1853 had been disposed of; it is stated that the sum voted or granted for the Duke of Wellington's funeral was 80,000 *l.*, and it states in the second column the sum paid, and in the column showing the balance remaining to be paid, I find Nil in the latter column; and I cannot imagine anything more decided to confirm my opinion than such a communication made two years back to Parliament.

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787. This really has nothing to do with the question; this is merely a transfer of the money from your Exchequer account to the Paymaster's account. The whole gist of the question is this: when the Paymaster had this money transferred to him, what payments he had to make on account of the service for which the sum was voted. Now, no doubt the whole sum of money was transferred from your account in the Exchequer to the Paymaster's account; the whole 80,000 *l.* was put at his control and at his service; would it not be necessary that he, the Paymaster, before he could return any saving upon that vote, should ascertain finally the whole of the payments that were to be made on behalf of that service, and then having finally ascertained that no further payment was to be made, make the remainder a saving?—I do not think that that describes the regular course of proceeding in the slightest degree; if there had been an expense incurred, the honourable Member will see by the account I have read, that it could have been paid out of the vote which was drawn out in sums of 10,000 *l.*, 40,000 *l.*, and 30,000 *l.*, but there has been 25,000 *l.* of that retained in the hands of the Paymaster, and not left in the Exchequer, from April 1853 to 1856; and I have now before me the entry of the Bank on this subject; here is the certificate to me of the amount of the several payments actually paid by the Governor and Company of the Bank of England in the course of the 15th day of April, in which appears "Funeral of the Duke of Wellington, 30,000 *l.*," that is the final and conclusive payment. We are only confusing ourselves if we attempt to draw distinctions between payment and transfer. All my transfers are payments, practically speaking.

788. But this is simply a transfer from your Exchequer account to the account of the Paymaster?—But in the accounts signed by the Secretary of the Treasury, which he holds in his hands, the finance account of the year, that transfer from my account to the Paymaster's account is stated to be a payment leaving nothing due.

789. Leaving nothing due upon the vote?—Certainly not.

790. There is no question about that, but it would be the duty of the Paymaster, when he had ascertained what saving there was upon this vote, if it was not all required for the service for which it was voted, to make that saving and to return it back into the Exchequer, would it not?—The Paymaster cannot do that; he has no power of declaring a saving.

791. Has the Treasury no power to do so?—I said the Paymaster cannot declare a saving; the Treasury may; it is the Treasury which is responsible on this occasion.

792. The Treasury would declare a saving upon this service in the Paymaster's hands?—Yes; and my surprise is that they did not declare it between the years 1853 and 1856.

793. Suppose the payments going on during the whole of that period, and not yet completed, how can we declare what the final saving will be until the whole object is finally completed?—If a grant is made for the payment of the expenses of a funeral, and the payment was demanded with such urgency that I was asked to pay before it was legally payable, and refused it, but made it on the very first day on which it could be legally paid, in the first week of April 1853, I can hardly conceive that the funeral account would remain outstanding to the year 1856. If so, I believe it is the only undertaker's bill in England that would be allowed to outstand so long.

794. May it not be that for the main portion of the claim there may be an urgent demand, and may there not be parts of it as to which there may be a great difficulty in ascertaining what ought to be paid, and therefore that it may not be possible to ascertain the final saving for some considerable time?—I cannot pass an opinion as to what might occur, under those circumstances. I know the fact of the issue at the period in question, and of the saving now admitted of 25,000 *l.*, which has been left in the meanwhile with the Paymaster, at his disposal, and employed necessarily by him for other purposes.

795. Mr. *Bowyer.*] Does not your Lordship think that the Treasury might have waited till the bills were sent in by the persons to whom the money was due for the Duke of Wellington's funeral, and on those bills being sent in, have applied to the Exchequer for the money to be transferred to the Paymaster's account?—The Treasury applied pressingly to me even before the vote was payable to get it transferred to the Exchequer credit account, and it was so transferred immediately, when it could be transferred legally, in the three sums which I have stated; the last transfer being on the 15th of April; out of that

that credit the expenses of the funeral were to be paid, and the balance, if there was a saving, and I conceive it was a legitimate ground of saving, ought to have been returned to the Consolidated Fund.

796. What I meant to ask was this, whether your Lordship does not think that it would have been better if the Treasury had waited till the bills were sent in by the persons to whom money was due for the Duke of Wellington's funeral, and then, on those bills being sent in, had required the sums necessary for the payment of those bills to be transferred to the Exchequer credit account?—That is the course which I should have thought would have been adopted.

797. Sir *Henry Willoughby.*] Do you know any similar case to the one of the 80,000 *l.* vote for the Duke of Wellington's funeral?—There have been, as I believe, more instances in former times than in the present, of an amount of surplus votes allowed to outstand for a considerable time, but they have outstood in the Exchequer, I am inclined to think, and were left to the Exchequer account; but the case that we are dealing with was a transfer from the Exchequer account to the Paymaster's account, and the subsequent remanet of that money in the Paymaster's account, from 1853 to 1856, namely, for three years; and I do not know of such a precise case as that is.

798. When once the 80,000 *l.* passed from your Exchequer account, you had no knowledge of what was done with the money?—I know how far the Exchequer account is exhausted; the action on the Exchequer credit account is also made known to me by the Bank; but under what circumstances the latter is exhausted, to what account it passes in the Paymaster's hands, whether to his drawing account or his bill account, I cannot judge; it ought to go to one or the other; then it becomes applicable, and stands as money paid in the Paymaster's hands, and it is at his own disposal for any other services.

799. When it was transferred to the Paymaster-general and there was a balance not wanted for the Duke of Wellington's funeral, was it in the power of the Paymaster-general to apply that money to other purposes?—It was in the power of the Paymaster-general to transfer it to his drawing account and his bill account; he had the power of applying it as he thought proper, subject to the control of the Treasury.

800. With regard to the application of that money, reference must be had to the Paymaster-general?—Certainly.

801. You as the Comptroller of the Exchequer know nothing of it?—Nothing officially; it is taken out of my power. If it had been drawn to the extent of the Parliamentary Vote, that is to say, the 80,000*l.*, minus 25,000 *l.*, I should have had the full control over the 25,000*l.*, but by their withdrawing the whole I lost that control over it, and the control I lost was transferred to the Paymaster.

802. Does it occur to your Lordship, in consequence of what has happened in relation to this vote, that some provision is necessary for the repayment of unexhausted votes into the Exchequer?—I consider that to be very much required; I have already stated that without a strict law for the purpose, I have on various occasions, with the perfect good will of the Treasury, I have reported to them balances which remained unexhausted, and in several of those cases the Treasury have been ready to declare those savings, which I think is the constitutional mode of proceeding; but this should be made systematic, and enforced in some form or other by a stringent law.

803. Mr. *G. A. Hamilton.*] The only effect of exhausting the vote for the Duke of Wellington's funeral, as regards the Exchequer, was to transfer that amount from the control of the Comptroller of the Exchequer to the control and under the responsibility of the Treasury?—Precisely so; but in the hands of the Exchequer it could only be applied for the Duke of Wellington's funeral; whereas with the Paymaster it could be diverted from its just Parliamentary appropriation.

804. And that at a period when it must have been supposed to be impossible to judge whether there could be any saving or not?—Certainly.

805. Mr. *Wilson.*] What the saving might have been could not have been determined till the whole accounts had been balanced?—No.

806. You have been asked whether the Paymaster could have applied that money to any other purpose; in the answer you gave did you mean any other purpose than that for which he could rightly issue the money standing to his account?—The best answer that I can give to that is, to ask whether any portion of that 25,000 *l.* has been applied by the Paymaster-general to any

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purpose than the cost of the Duke of Wellington's funeral; if it has, he has applied it, in my judgment, contrary to law. There was another vote made at the same time under somewhat analogous circumstances, of 150,000 *l.* to purchase the land at Kensington Gore, and it is but right I should say I had to violate the law in relation to that vote; I believe it is almost the only case in which I have knowingly violated the Act of Parliament. I should like to be asked a question about it, and I will tell the Committee how the matter stands.

807. Your Lordship will remember that there was a vote for 150,000 *l.* to purchase land at Kensington Gore, in addition to 150,000 *l.* that was subscribed by the Exhibition Committee in 1851, and your Lordship will remember that towards the end of March the deeds were completed for the purchase of that property, and it became necessary that the purchase should be completed before the first day of the new financial year, when the money would have been under ordinary circumstances strictly issuable. Will your Lordship state whether any unusual step was taken to render that public service possible?—Those votes were votes taken in the short session of November 1852, at the same time with the vote for the funeral. I was applied to, after the votes had passed, to make issues for this service; I found that this had been voted for the service of the subsequent year; and therefore, in point of law, I was obliged to exercise the power of control, and say, "No, I can make no issue until I come to the year to which this money is legally applicable." And therefore this as well as the vote for the Duke of Wellington's funeral was postponed till it should come within the terms of the House of Commons' Resolution. With respect to the ground for the new National Gallery, I was told that the case was most urgent and most pressing; that a contract had been entered into with a private party, partly entered into on the part of the Treasury, and partly on the part of the Royal Commissioners of Arts, who were jointly interested in the purchase, and who furnished a large part of the money; and that the contract fixed the payment of the purchase-money before the exact legal time prescribed by the vote. I was assured that very great public inconvenience and possible disturbance of that contract might take place, if the payment were not made as promised, the party entitled intending to go abroad, and I was asked to pay it. It was contrary to the strict law, but it has been shown the case was urgent. The Treasury, after having frankly told me the reason and the pressing nature of the demand, unreservedly offered me any indemnity that I might wish to have from their department; but I said, "No, this is a violation of the Act, the indemnity of the Treasury is not a sufficient indemnity, and you will have the goodness, if you please, in the Appropriation Act to introduce words that will make it a sufficient indemnity, and render the act that I do now legal; and I shall then get my indemnity from the only parties who have a right to give it, namely, from Parliament itself." Words were introduced accordingly in the Appropriation Act, and I hope therefore I stand excused for the payment in question. It would have been a great public inconvenience if the engagement made had not been observed, and I think I was right in what I did; but I do say that I think in any case in which, like this, any violation of an Act has occurred, it ought to be specially noticed and specially reported to Parliament.

808. Mr. *G. A. Hamilton.*] Was not that a case in which, but for the largeness of the amount, the payment might have been properly made out of the civil contingencies?—Yes; but when the amount was 150,000 *l.* to be paid on the instant, the vote for civil contingencies being only 100,000 *l.* would not have sufficed for the purpose.

809. Mr. *Wilson.*] You have been asked as to the amount of the civil contingencies vote, and it has been stated truly that the amount of money actually expended upon the civil contingencies, as presented to Parliament year by year, rarely exceeds 80,000 *l.*, while the vote for the last three years has been invariably 100,000 *l.*; is it not the case, that the civil contingencies votes are used for two distinct purposes, first, for payments which are final upon the civil contingency account, and secondly, for sums, and very considerable ones, advanced either in anticipation of a vote of Parliament, or by way of imprest to be repaid from some other department which had not funds at the time; and therefore is it not the fact that the accounts delivered to Parliament, which include only those payments which are made final upon the civil contingency vote, do not represent the entire amount which may be issued from the civil contingencies

contingencies account at any one particular period?—I believe that practice is accurately stated.

810. Therefore it does not follow, that because the vote of Parliament has been 100,000 *l.*, and the amount expended upon that class of payments which finally rest upon the civil contingencies account, is only 75,000 *l.*, that therefore there is a surplus of that vote unused, or at the command of the Treasury?—No, but all that is not final is advanced on repayment; and when that repayment takes place, it is so much paid into the credit of the fund, and therefore, whether it is a credit actually existing in money, or whether it is a credit which subsists in the hands of other parties bound to pay it back, the difference between the two is only a question of time, not of fact.

811. Yes; but that time varies according to the nature and the purpose for which the advance has been made?—Yes, certainly.

812. Your Lordship, I think, is of opinion, are you not, that the use of a sum of that kind to a very considerable amount, certainly not to a smaller amount than you have now given, is an extremely necessary discretion to give to the Executive Government of the day?—I think a contingent fund is absolutely required; and not only is it absolutely required in that case, but it is also required with respect to a similar fund, the commissariat chest account.

813. *Chairman.*] Do you know the amount of that?—I have no means whatever of judging at the present time, but is very considerable, exceeding 1,000,000 *l.*

814. When you say you think it expedient that there should be an amount, do you speak as to the particular amount now disposable?—I have given an opinion as to the principle, not as to the amount.

815. Mr. *Wilson.*] What I meant was this, that because I present to Parliament, as Secretary of the Treasury, an account showing an expenditure of 75,000 *l.* upon civil contingency payments the year before, with a vote of 100,000 *l.*, it by no means follows that the vote was too large for the purposes for which the civil contingencies vote is applicable?—No; but, as I have stated, it is as if a banker having money in his chest, had also bills payable to himself outstanding; the money and the bills form his fund, but the bills differ from the money by the date at which they become payable, and so it is with the civil contingency fund; if you are certain of the repayments of advances those are funds at your command which become realised capital when paid.

816. Mr. *G. A. Hamilton.*] Must it not be calculated that there will at all times be a necessity for a floating balance to meet additional advances?—Yes, quite so, but respecting amount and possible accumulation I cannot speak.

817. Mr. *Wilson.*] Seeing that the amount advanced is quite optional, it would not be wise to keep that balance down to a very small sum; the object would be lost if kept down to a very close sum?—If so, it would be as if you had no vote at all.

818. Sir *H. Willoughby.*] Assuming that in the last four years there has been an excess upon the Civil Contingency Fund of 15,000 *l.*, making the sum of 60,000 *l.*, how would that be accounted for?—The civil contingency account is a very strict and accurate one, as I believe. It is kept at the Treasury.

819. My question had reference to that portion which is not accounted for?—I have no power over that at all, neither do I believe that the auditors examine the Civil Contingency Fund. I do not think that it goes to them. I have already strongly expressed my opinion in favour of extending the system of audit to the miscellaneous votes, as well as to the greater services.

820. Is it to be understood that that extra sum which is not wanted for the civil contingencies in the year is not accounted for at all?—It is accounted for to the Treasury, I presume, but this is no more than the Treasury accounting to itself. I do not know of any other account of it except the account which is made by its own officers to the Treasury. I need hardly say that an effectual audit should be independent.

821. Is there no annual account laid before Parliament?—There is the civil contingency account, but that is not a system of audit, and it has been stated to relate to final payments only.

822. I limit my questions to that portion of the Civil Contingency Fund which is not spent in civil contingencies?—I understood by the question that was put to me just now, that the account rendered to Parliament is an account of the final payments. If that be so, from the account must be excluded the amount which has been a matter of advance, and which will be matter of repay-

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ment. How that account is controlled at all, I mean in the way of audit, I do not know. I believe that there is no audit except in the Treasury itself for those advances or for any part of the civil contingencies expenditure. A more effectual audit should be provided.

823. When those advances are repaid what becomes of the money?—Then I assume that there is a strong probability that there will be other advances required, for similar loans and advances, and if you have a civil contingency account on the average resulting in final payments, the amount of which appears on the Parliamentary Return, and that the advances with their repayments stand, as is probable pretty constant, from year to year, the amount of the advances on one year, when it is repaid, will become the amount, measuring the advances which you have the capacity of making in the next year, with the view to repayment likewise; but I do not believe that there is any audit, nor do I know how these transactions are carried on.

824. If accurate information is required upon the expenditure in the final account of that money, must not the inquiry be made, not from you, but from the office of the Treasury?—Clearly; they alone can give an answer upon this subject; it is exclusively under their control. I can, however, furnish an account of the annual votes, the issues from the Exchequer, and from the Exchequer credit account to the Paymaster.

825. Mr. *G. A. Hamilton.*] Are you not aware that a regular ledger account is kept at the Treasury of the civil contingencies, including both advances and repayments?—I have not the slightest doubt that all the information at the Treasury stands as it did in my time. Then there was an account with respect to all disbursements of the Civil Contingencies Fund.

826. The civil contingencies are an item for which the Treasury is peculiarly responsible?—Specially responsible; and more so, because it has no distinct and independent audit to control, and certify on its behalf.

827. Mr. *Wilson.*] Your Lordship knows, I believe, that no money can be issued from the Bank of England upon the Paymaster's account, either for civil contingencies or otherwise, that must not come under the cognizance of the auditor of the Board of Audit, and be accounted for strictly to that Board?—I am not in the least aware whether the auditors have any control over the audit of the civil contingencies account; it is so long since I was in the Treasury that I cannot speak to the point with any confidence. I resigned the office of Chancellor of the Exchequer in 1839.

828. Are you not aware that it would be impossible for any sum of money to be drawn by the Paymaster, whether as payment or advance, that would not come under the control of the Board of Audit, and be traced to its final appropriation through all its stages?—In the observations which are here made by Mr. Romilly, the head of the Board of Audit, he reports distinctly that he considers it absolutely necessary to apply the principles of the audit to the Treasury accounts. There are the words in page 116: "The appropriation of the miscellaneous votes does not come under the control of the auditor. It can hardly be contended that the Treasury, as the supreme department of the State, should be exempted from the control to which the subordinate departments of the Army, Navy and Ordnance are subjected, when it is remembered that this principle, if contended for, has already been deviated from in the case of the commissariat services vote, which is equally taken by the Treasury. If, again, it is considered derogatory to the Treasury that a subordinate office like that of audit should in any way control their proceedings, and act as a check upon the issue of public money, that argument should have been used before; for if the expenditure under the commissariat vote is submitted to Parliament by the auditor, upon the same principle all other votes taken by the Treasury should be subject to the same ordeal." In this I entirely concur.

829. You do not infer from that that the Board of Audit have no cognizance of the expenditure of the civil service votes?—I have read you the words of Mr. Romilly as applicable to the miscellaneous services.

830. Are you not aware that that distinction applies to the difference to which your Lordship has already adverted, that of the votes for the great services being applicable only to the year, and the other classes of supply services being applicable to a longer period?—I think it involves a much larger principle. The Treasury will tell us whether the civil contingencies vote is or is not audited. I may be wrong, but from Mr. Romilly's evidence I imagine that it is not audited; and that is my answer to the question which is put to me.

831. In

831. In the case of the great votes, the Audit Board not only have a certain degree of audit, but they report to Parliament whether the vote has been misapplied within the service, and if it has been exceeded; but there is no such report made as to the civil service votes?—No, but there ought to be.

832. So that if they should be audited at the Audit Board, Parliament is perfectly unaware of the result of that audit?—It is so; a report to Parliament would render the audit more effectual.

833. Mr. *Wilson*.] Your Lordship will observe that this has reference only to appropriation and not to anything like payments; what we are speaking of now are payments of money?—The questions which the Right honourable Baronet put, had reference to the application of monies; this may have reference only to the appropriation of votes; in either respect it is perfectly right, and I agree with what Mr. Romilly says upon this.

834. *Chairman*.] Therefore although the Audit Board would ascertain that the payment had been made, yet the Audit Board would not report to Parliament the improper use of the vote, though they would do so in the case of the great services?—I presume that they ought to be called on to do so. Sir J. Graham's Act and its extension applies, however, to the great services only. When I was originally at the Treasury, there were Treasury auditors acting within the Board itself. I think very justly that practice has been discontinued, because it is to the Board of Audit itself, acting judicially, being an independent Board, that I think Parliament ought to look, rather than to any audit within the department itself. No audit can be relied on but such as is independent, more especially independent of the accountant.

835. You have been asked whether it is not a great advantage to have a certain sum out of which the Treasury can advance to other departments in case of a special emergency; but from your long experience do not you think it rather a temptation to other departments to exceed their estimates, if they know that there is a large fund at the Treasury, and great facility in obtaining advances?—I admit that there is that temptation; but at the same time, if you can rely upon the just administration of that fund, I have no doubt that it is infinitively better than running in debt on the part of the department. The contingent fund should not be administered by any department but the Treasury. If it is carefully and usefully administered by the Treasury, you provide for contingencies which otherwise I should consider could not be provided for at all, except by incurring debt. Let the sum be limited and accounted for, and placed in responsible hands, then I think it is all right; but any one of those checks wanting, it becomes a source of evil.

836. At the present moment Parliament is not aware of the funds in the hands of the Paymaster-general?—No, I conceive not.

837. At the present moment Parliament is not aware of the sums advanced which would be repaid in the course of the year?—No.

838. That repayment is generally made from sums voted by Parliament, so that those repayments are sure?—Yes; and therefore by analogy the bills payable to a banker form part of his assets, like the cash at his command; if they are good bills; the payment is quite certain, and in the case of Government repayments it is still more certain.

839. Sir *H. Willoughby*.] Is the amount which is capable of being devoted to advances constantly on the increase?—No, I should think not; it is rather on the decrease; it has been, so far as I have been able to observe the proceedings of Parliament, the policy of the Government from 1830 down to this period, to limit the amount of discretionary votes, and to increase the amount standing on estimate, and subject to Parliamentary control. I should think the amount referred to in the question would be rather a decreasing demand than an increasing one.

840. Assuming that in the last three years there has been an available surplus on the Civil Contingencies Fund of 20,000*l*, in each year, would not there be in the present year 60,000*l*. that could be devoted to loans and such purposes?—Supposing there had been an accumulation in the way suggested, no doubt it would be an increasing fund; that is a matter of fact upon which I can pronounce no opinion, but the tendency would be that way.

841. *Chairman*.] To that you must add any advances that had to be repaid the first year?—Yes; and the account of civil contingencies should include, I think, not only the final payments but the amount of advances and repayments. I think that would make the matter more complete.

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842. Mr. *Chancellor of the Exchequer*.] Is it your suggestion that the Government should take every year a vote of credit for the civil service of the Government?—I think it absolutely necessary that there should be a civil contingency vote, and a commissariat chest account; and to enable the Government to avoid the temptation and difficulty of misapplying sums appropriated, that they should have these sums free from any special appropriation to meet the peculiar circumstances that may arise.

843. To what amount do you think it is desirable to take a vote of that sort?—Within the last 25 years the amount is very much reduced. I presume that we may assume that it is not too small a sum. The Government would take care, I think, in preparing their estimate, to take a sum likely to cover all that they expect; whether it is too large or not depends upon the question whether the repayments form an accumulating sum, increasing from year to year; this should be looked into; but to do without a contingent vote would be very dangerous. I have already recommended an audit.

844. The present vote for civil contingencies is in the nature of a vote of credit for civil services, is it not?—No doubt, but not exclusively so; it calls itself a civil contingency vote, but it is frequently applied for other matters, not perhaps strictly civil services.

845. According to your plan of regulating the balances in the hands of the Paymaster, do you think that the present amount of vote for civil contingencies would be sufficient to enable the Government to carry on the current expenditure?—For those civil services I think it is quite so; at the same time that is a mere surmise. I cannot know exactly the state of the Government wants in those things; but as the Government has been satisfied with the vote of 100,000 *l.* for a certain number of years, it is probable that that is sufficient for the purpose.

846. You stated, did you not, that if a change was made in the arrangements with respect to the Paymaster, it would be necessary for the Government to take additional powers of applying an indefinite fund for the current services of the year?—No, not an indefinite vote; that question has not been put to me, and I should have been far indeed from affirming such a proposition; but if it were necessary, by the enforcement of strict appropriation, to augment in some degree the Contingency Vote, comparing the consequences of the one plan and the other, I say, let Parliament increase the Contingency Vote, and enforce strictly the principle of appropriation. On its powers over the finances the power of the Commons of England depends, and that power will be but a delusion if the strict appropriation of the public money is not rigidly enforced at every cost. On this question our Parliamentary constitution depends.

847. *Chairman*.] With regard to the memorandum which you laid before the Lords of the Treasury in February 1854, will you state to the Committee why you thought it necessary to lay that memorandum before the Chancellor of the Exchequer?—Its origin, so far as it requires explanation, other than the memorandum contains in itself, was this: in the early part of that year, finding that, to my judgment, a system had been introduced which was extending itself, under which the principle of appropriation, the especial principle which led to the formation of my office, and had previously been guarded by the ancient Exchequer, was to a certain extent abandoned, and the abandonment of this constitutional principle being evidently increasing, I took the liberty of writing, on the 11th of January 1854, to the then Chancellor of the Exchequer a semi-official letter, which I signed as Comptroller-general, and addressed to him. It was to this effect: "It appears to me a matter of positive duty to call your attention to the mode in which the expenditure is now carried on, that you may be enabled to judge how far it is consistent with the statutable regulations and to the Treasury Minutes passed on the subject. As it is more than probable that this question may be made a matter of consideration during the approaching Session, I feel it but just to you that the facts of the case should be brought clearly before you, with a view to the exercise of your own judgment on a matter of such primary importance. With this view, I shall be ready to wait upon you at any time at which you may be desirous of seeing me." In consequence of this letter I received an appointment and waited upon the Chancellor of the Exchequer, who received me with the utmost courtesy and kindness. It would be very irregular, and might be dangerous, to repeat conversations, but I may say that which is contained in the memorandum itself; that the Chancellor of the Exchequer requested me to draw up for him, and put in writing, that which I had communicated to him verbally.

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verbally. I did so, and the result was the Exchequer Memorandum. It was enclosed to Mr. Gladstone in the following letter, dated 16 February 1854: "I have the honour to enclose for your consideration the memorandum on the present mode of making issues for the public service, which I stated verbally to you I considered indefensible and highly dangerous. I had it put in type that it might be read with more facility, and I send you half a dozen copies that you may be enabled to obtain upon it the opinion of others. You have great facilities of obtaining the aid of men experienced in such questions. Lord Lansdowne, and Wood, your colleagues, have both been Chancellors of the Exchequer. Baring and Goulburn, two friends of the Government, likewise filled the same office. Experienced members of the Board of Audit have also means of forming an opinion. In my time, the steady experience of Brooksbank, and the spirit and energy of Spearman, would have supplied all that I required. But in another of your colleagues, you will find as thorough a knowledge of the whole subject as in any, or perhaps in all those that I have named. Sir James Graham was one of the Exchequer Commission in Lord Grey's Government. It was he also who introduced and carried the Exchequer Act; it is he who has explained, defended, and enforced the doctrines of appropriations with the greatest ability, and with the strongest sense of its importance. My memorandum is written strongly, and without the absurd pedantry of official professions of deference and respect; such nonsense would be misapplied in calling your attention to a matter of practical business. Brooksbank always relied on the Exchequer as the real protection and safety of the Treasury in its financial receipts and issues; it is only in later times that it is viewed as a troublesome check and restraint; but such by law it is made, and intended to be. Consider what may happen during—1st. A war expenditure; 2d. A weak revenue room; 3d. One single pay department in the room of five; 4th. £. 4,000,000 added, or likely to be added, to the supplies for revenue services; 5th. The system of payments and advances unauthorised by law, and subsequent adjustments and rectifications of accounts. These five sources of difficulty, more especially without the aid of an Army Extraordinary Vote (which in your case I should be inclined to renew), make the future very doubtful and gloomy unless the strictest system of administration be enforced." I had the memorandum printed for reference and for convenience, and I furnished the Right honourable Gentleman with 12 copies, which I thought might be interesting to the Members of the Cabinet. I also communicated it to certain persons whose names I afterwards made known to the Treasury, who were official persons, or who had been official persons. I placed it in their hands, not in the shape of a publication, but in the shape of a communication; and as I had adverted to other departments, I thought it was right that such departments should be aware of what I said. It was under those circumstances that the paper was drawn, and it remained in the hands of the Government, though not made an official document at the Treasury until a change of Government and the accession of my Right honourable Friend the present Chancellor of the Exchequer to the office which he now holds. I did not think it would be just or right that such a document should be withheld from him, and I took the liberty of writing to the Lords of the Treasury upon that subject, on the 24th of March 1855. My official letter was to this effect: "As being necessary to explain to your Lordships the alteration which has of late been introduced into the mode of transacting branches of the public service in which this department is concerned, and as explanatory of my letters of the 22d and 23d inst., I have the honour to lay before you, and to request your Lordships' consideration of a memorandum which I prepared in 1854, and submitted to the leading members of the late and present Government." I may state that the Assistant-secretary of the Treasury were so obliging and courteous as to give me a copy of Mr. Anderson's answer to my memorandum, which is included in the papers laid before this Committee; in so doing it was a personal attention; but I was not called upon to report upon that memorandum, or express any opinion upon it. It was under these circumstances that the Exchequer Memorandum was prepared.

848. It states fully your Lordship's views, and the objection that you have to the course which you supposed to be carried on at the Pay-office?—I think it states them with as much clearness as I am able to bring to the subject; and having read the papers in reply upon that subject, ably written by men of eminence in their respective positions. I allude to Sir C. Trevelyan and Mr. Anderson. I see no reason whatever to vary the judgment which I pronounced,

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as being a judgment which to me appears conclusive, if you wish to maintain the constitutional principle of Parliamentary appropriation. If that is to be abandoned, this Exchequer Memorandum is absolutely good for nothing, and so is the Appropriation Act likewise. In the abandonment of the Appropriation Act the highest privilege of the Commons and the constitution of the country are identified.

849. Independently of the expediency as a Parliamentary question, your Lordship stated that you then considered that the present practice, or the supposed practice, was illegal, and you requested that the opinion of the law officers of the Crown should be taken upon the legality of the practice; have you received any answer to that question?—I have not received any answer whatever upon the memorandum since it has gone out of my hands. Whether the opinion of the law officers has been taken or not I am wholly uninformed. I have had no official reply whatever to my memorandum. My judgment respecting the illegality of the present system is unchanged.

850. Your question as to whether the practice was illegal or not has received no reply?—No, it has not.

851. In addition to the paper of Mr. Anderson, there was a paper written by Sir Charles Trevelyan; was that paper ever submitted to you at the time that it purports to have been drawn up?—I was examined at great length before the Committee on Miscellaneous Estimates, 1848. Sir C. Trevelyan's paper of 1848, though stated to have been prepared for that Committee, for some unexplained reason does not appear to have been laid before them; it is not printed in their Minutes, nor was I aware of its existence until a few days back, when I first saw it printed in the papers I now hold in my hand. I was not the least aware of its existence; and though it refers in great detail to my own office, I was never called upon to report upon it. Mr. Anderson's paper was kindly communicated to me, but this paper of Sir C. Trevelyan was not, to my knowledge, communicated to the Committee, though as it now appears it was prepared for its use; why kept back is not explained.

852. In that paper Sir Charles Trevelyan expresses an opinion as to the advantage of the Comptroller's office or otherwise. He states, "When Her Majesty graciously determined that her income should be subjected to the income tax, the Comptroller-general objected to issue money from the Exchequer on this account, and the amount has therefore been drawn in full, and the income tax has been made good partly by payments from the Privy Purse, and partly by deductions made at the Treasury. I mention this as being the only instance in which, as far as I am aware, the Comptroller-general has exercised a practical check over the Treasury. His predecessor, the Auditor of the Exchequer, demurred to the Treasury issuing the interest on the Russian-Dutch loan after Belgium had been separated from Holland, but he withdrew his objection upon Lord Grey directing him to make the issue on the responsibility of the Executive Government, which, under the peculiar circumstances of the case, was the course which the affair ought at any rate to have taken." First, with regard to this representation of Sir Charles Trevelyan's as to the conduct of Lord Granville, is he correct in stating that it was issued upon directions from Lord Grey?—I have the original papers. Sir C. Trevelyan's statement does not appear to me that that is consistent with the facts of the case; but if the Committee wish to see the papers themselves I shall be very glad to produce them. My recollection of the facts of the case is this: there was a difference of opinion between the Government and Lord Grenville respecting the legality of the continued payment of the Russian-Dutch loan after the separation of Holland and Belgium. Acting in conformity with the principles which I think should regulate the Auditor, which would govern me as Comptroller-general, fulfilling the Auditor's duties, when asked to issue a sum, the legality of which appeared to be questionable, suspended such an issue. Letters passed on both sides, but ultimately the opinion of the law officers of the Crown was taken, a copy of which I have in my possession and can show the Committee. I think it was Denman and Horne who were the law officers, and they stated, distinctly, that upon their construction of the law of the case the Government were bound to pay that money by our treaty obligations; and it was to the force of that legal opinion that Lord Grenville gave way, and not to a mere command on the part of the Government. And that is a result which has arisen in my own case: I have resisted an advance upon my own judgment, and I have abandoned my opinion, it being a legal question, when I got

got the opinion of the law officers of the Crown in contradiction to my own. The Treasury has acted in the same way in another case I had resisted them in making a payment, and required the opinion of the law officers of the Crown; that has been taken, and as the opinion justified the principles upon which I resisted the payment, the Treasury with perfect readiness acquiesced in my objection. In like manner I think that Lord Grenville's case was precisely analogous to this which I have stated. I believe that in addition to the opinion of the Attorney and Solicitor-general, there was also an opinion taken from the Queen's Advocate, who is a civilian, advises the Foreign Office; the opinion of a civilian and two Crown lawyers were then taken, and they, holding that we were bound by the terms of the treaty, and Lord Grenville sanctioned the payment.

853. Mr. *Chancellor of the Exchequer.*] What was the date of that transaction? —I think it was in the year 1831–32.

854. Supposing that the law officers gave it as their opinion that the Government was legally bound to make this payment, would it follow that the Auditor of the Exchequer was also bound to permit the issue to be made from the monies in his hands?—Not in the least, unless that opinion was in his judgment so authoritative as to vary his judgment; his individual judgment is to be the rule for the control he is to exercise; but in forming his judgment, even so considerable a man as the late Lord Grenville would not have rejected, on a legal question, the judgment of the Crown lawyers. With respect to my own functions, I have already referred the Committee to the 4 & 5 Will. 4, c. 5. I am bound, before I make an issue, first *to satisfy myself* that it is legal.

855. Supposing that the Government was bound to make certain payments, but Parliament had provided no funds at your hands to make that payment, the Auditor of the Exchequer as he was then, or the Comptroller of the Exchequer as he is now, would not be authorised to allow the issue?—Without a Parliamentary provision of funds of course no legal issue can take place. I cannot issue my Exchequer warrant till I shall *have first satisfied myself* of the legality of the order I have received. In the case of the Russian-Dutch loan a charge was created on the Consolidated Fund; funds were provided by Parliament; the only question was with respect to the legality of the issue. The order came to make the issue; Lord Grenville refused to obey it, acting on his own judgment, but after the opinion of the law officers of the Crown had been laid before him, he made the issue.

856. The question was, then, as to whether it was a legal charge upon the Consolidated Fund?—No; but the charge being upon the Consolidated Fund, whether an occurrence had not taken place which prevented the legality of the issue; that occurrence was the separation of Holland and Belgium.

857. Virtually the question was, whether there was a continuing legal charge upon the Consolidated Fund?—Whether there could be a legal issue made. There was no doubt that the charge was strictly legal; the doubt was, whether the issue could be made under that charge.

858. Sir *H. Willoughby.*] Is there any allusion to that legal opinion in Sir Charles Trevelyan's Minute?—No, rather the contrary; he seems to think that Lord Grenville submitted merely to the command of the Government. The contrary was the case.

859. *Chairman.*] Sir Charles Trevelyan mentions likewise a case with regard to income tax paid by Her Majesty; do you wish to state anything upon that point to the Committee?—Yes; I will state to the Committee what that case was, and then I can show them that, so far from that being the only case, I am afraid, if they were to ask me all the instances of my control from 1839 to 1856, since I have been at the Exchequer, I should perplex them with a recapitulation of cases, the number of which I do not pretend to state; the case of Her Majesty was this: the Committee are aware that, upon the introduction of the first property tax, a communication was made by the Government to Parliament that Her Majesty was graciously pleased to express an intention of contributing Her proportion to that property tax. I received, soon after that occurrence, a regular official letter from the Treasury, directing me to make a deduction of that property tax from the issues made to the Crown from the Exchequer. It occurred to me that this was not the right mode of proceeding; the law of the land exempted the Crown from the operation of the Act, and Her Majesty's intention in assisting towards the necessities of the State was her own gracious act, and was only to be considered or recognised as such. I saw Sir Robert Peel, and I stated to him that I thought that this was to be dealt with

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with in the spirit of being a voluntary payment, like the contribution of the King of the Belgians, Lord Camden, or any person who felt a generous disposition to make a voluntary grant in aid of the public wants, and that I had no power by law to make any such deduction unless there was an Act of Parliament passed. Here is the letter that I received, dated 24th March 1843, from the Treasury: "The Lords Commissioners of the Treasury desire that you will authorise the Governor and Company of the Bank of England to grant out of the general fund of the Exchequer at the Bank of England a credit of 1,257 *l.* 16*s.* 3 *d.* to William Sargent, Esq., Paymaster of Civil Services, for property tax due on the third class on account of the sum of 96,250*l.* set forth in the warrant of appropriation, bearing date the 6th day of January 1843, for the quarter ended 31st March 1843, and place the same on the accounts of your department as an issue out of the monies set apart from the Consolidated Fund to defray the charge of the third class of Her Majesty's Civil List, for the quarter ended 31st March 1843." That was the letter, dealing with it as if you could recite an Act of Parliament, to carry it into effect. I wrote the following note to Sir Robert Peel, dated the 27th March 1843, "I should be glad to see you for a few minutes if you will inform me when you can receive me, on the subject of the mode in which it is proposed that Her Majesty's voluntary contributions to the property tax should be made. I think there is an objection to the mode proposed, which, however, can without much difficulty be obviated." Upon my having made my communication to Sir Robert Peel, he thanked me for it, and adopted my views. I received a letter from Sir George Clerk, dated 29th March 1843, stating, "I herewith return the Treasury letter which you gave to Sir Robert Peel, and I have given directions that a public letter should be written to you requesting to withdraw the letter, which I regret to see has been inaccurately prepared." That is the question referred to by Sir C. Trevelyan. I presume that every one in this room and elsewhere will think that I was right in treating Her Majesty's contribution as an act of grace and patriotism on the part of the Queen, in place of stopping at the command of the Treasury, as if there was an Act of Parliament authorising me to do so. Had I done otherwise, I think I should have acted inconsistently with law.

860. Sir Charles Trevelyan says, "I mention this as the only instance in which, so far as I am aware, the Comptroller-general has exercised a practical check over the Treasury." Do you concur in that view, or are you able to show the Committee that you have been more troublesome than Sir Charles Trevelyan seems to suppose?—I believe I can appeal both to the Right honourable Chairman himself, and all his successors, that the objection to the control of the Exchequer is certainly not from any want of determination on my part to enforce the principle of appropriation by my control to the uttermost, and on every fitting occasion. I think there must be some mistake in the paper before me, this assertion is so entirely absurd. I hold in my hand a long list, showing a number of specific cases of control exercised by me, beginning with the Right honourable Chairman, if I remember right, and continued up to the present time, to every Board of Treasury which in my judgment was disposed to overlook or violate the principle of the law of Parliamentary appropriation. I hope it was not done with any want of courtesy or in any captious spirit. This list of cases of control is merely an index. I have thought it right to give the Committee access to the cases; the headings are explanatory, the pages of my correspondence are referred to, and the Committee can call for the papers in any one or all of those instances. The folio volumes of my correspondence are all in the room, at the command of the Committee.

861. Is there any particular case that you would like to mention?—There are many, but I can refer the Committee to one which is before me. If the Right honourable Chairman recollects, just before Sir Robert Peel came into power, Parliament determined before the general election and dissolution to refuse one-quarter out of the votes of the year; one-half of the miscellaneous supplies only was voted, and the balance was left to be voted by another Parliament; there were consequently, with respect to the services of that year, two service votes, and two Acts of Appropriation. Upon the change of Government, and upon the meeting of the new Parliament, it was contended by the Treasury that issues might be made indiscriminately, as for the services of the year, out of the two quarters' votes which had been taken under the first Act of Appropriation, and the balance, voted after the dissolution, and contained in a new Appropriation Act. I felt that such a course would be wrong in point

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of law, and that I had no such power of, as it were, consolidating two Acts which Parliament had passed separately; it was not for me to say what the motives were of Parliament to vote them separately; but what was clear was, that my duty was to adhere strictly to the Parliamentary appropriation that was given me by law, and I consequently declined making the issues. There were upwards of 100 Royal Orders and Treasury Warrants sent to me, signed by Her Majesty. I hold one of them in my hand under Her sign manual, and countersigned by the Lords of the Treasury. I considered that the issue demanded was illegal, and that it could not be carried into effect legally. I put a different construction upon the Act of Parliament. After some discussion, my late lamented friend, Mr. Goulburn, who was Chancellor of the Exchequer, said, "If we continue to differ will you submit this question for legal consideration?" I said, "I will submit this question to your own law officers, to see whether I am right or wrong." He said, "You may do so; but you must draw up your own case; we will not bind you by our statement of the case to them; you shall draw up your own case, and submit it to the law officers on your own behalf. I took that course. The case was laid before the Attorney and Solicitor-general, and they gave their opinion that, according to the strict letter of the law, I was justified in refusing to act upon those warrants. Here are upwards of 100 Royal Orders and Warrants which were all set aside by one stroke of the pen. Upon obtaining the opinion of the law officers of the Crown, the Government of the day instantly submitted to that opinion. They saw that I was justified in the objection that I had taken, and they admitted that it must be corrected. It was set right, by one governing warrant prepared at my suggestion, which recapitulated all those instances of errors. It recites the errors; it recites the former warrants; and it recites and authorises the mode of correction; and it was acted upon. The same course was also taken under somewhat similar circumstances in the year 1852. In that case there was also an error in the Royal Warrants, applicable to upwards of 50 or 60 cases, and the same course was taken; I refused my sanction, the Treasury consulted the validity of my objections, a governing warrant was issued, and the amendments were consequently made, and the illegality, such as it was, was corrected. Those cases, amounting to nearly 200 instances of control, were all before Sir Charles Trevelyan at the time when he says there was no control exercised, except in the single case of the Queen's property tax; he must understand the word control in a totally different sense from mine. I cite these cases as examples only. The list I produce will exhibit a continued chain of precedents of control, with a precis of the more important instances of the use of this power.

Vide Appendix.

862. Mr. *Chancellor of the Exchequer.*] With regard to the case which occurred in 1841, do you consider that the correction of a substantial error on the part of the Treasury, or of a technical error?—I considered it the correction of a substantial error. It is not for me or any subordinate officer to put a construction upon an Act of Parliament. Parliament had some object or other in dividing the votes between two appropriations, and I was bound strictly to conform to the intentions of Parliament; therefore it was an error of substance, varying the appropriation which Parliament had made, and determining whether the warrants were legal or illegal.

863. By the control that you exercised, did you make any alteration in the amount of the funds which were at the disposal of the Government?—No; but I took care that they were issued at the right time and for the right services; that involved the whole question of appropriation, with which no person, at least no Comptroller-general, is at liberty to trifle; he cannot say whether the law is right or wrong, but he has to obey and to enforce what the law commands.

864. It was a mere question of the form in which the warrants and the orders to pay were made out?—I cannot admit that. There was this distinction, that the money being appropriated for the service of one half year, the Treasury wanted my sanction for its application to another, in the same precise manner as if the money had been voted for one year, and I was called upon to appropriate it for another. Besides which there was another fatal objection: there was a want of ways and means to cover this supply in the mode asked for.

865. By the control that you exercised, you did not diminish the amount of money at the disposition of the Government?—Not the least; I only fixed its appropriation according to law.

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866. Nor did you vary the purposes to which that money was to be appropriated?—Yes, I did, because the purposes were connected with the time; if it was not so the Comptroller of the Exchequer would be at liberty, contrary to law, to issue money in the year for which it was not voted; he is not at liberty to do so. But, in addition to this objection, there were no ways and means applicable to these votes in supply.

867. Take again the example of the sums voted for the Army Estimates for the year; I presume three-fourths were in one vote, and one-fourth in another vote, and each vote was included in a separate Appropriation Act?—Yes.*

868. According to the course that seems to have been originally adopted, those two sums were consolidated and a warrant issued for the entire sum?—Yes.

869. According to the amended warrant the issue was made, first, for the three-fourths, and then in another sum, for the remaining fourth?—Precisely so.

870. If you added up the three-fourths and the one-fourth, did they not make precisely the same sum as that which was included in the original warrant, and was not that sum equally applicable to the Army Estimates?—Yes, it was in amount the same, but in the time it differed, and the time is of the essence of the matter; nor were there ways and means legally applicable to the vote.

871. How was the time altered?—In this manner I show its importance; suppose, for instance, that the three quarters had represented the expenditure of a given character, and that the one quarter had represented the expenditure of another; assume three quarters peace, and one quarter war, if you have the power of varying the time, you have the power at once conceded of varying the appropriation of Parliament in an essential matter; you cannot draw a line, the Comptroller-general must steadily adhere to the Appropriation Act. In this case there was the further objection of want of ways and means, which was conclusive.

872. In this case there was no distinction between peace and war?—No.

873. Was not that vote taken in this way, that each vote was divided into two portions; three-fourths were taken first, and one-fourth was taken afterwards?—Yes.

874. Both, of course, for the service of the year, taken upon the estimate of the service for the entire year?—Yes.

875. How can you show that the time was material in this case?—What makes the time material in this case is, that I cannot under any possible circumstances admit the principle of appropriating or issuing money for a period for which it is not granted, and if because there were no special inconvenience in the peculiar instance, I claim the power of setting aside upon the grounds of convenience, or my own judgment, a Parliamentary appropriation, I get a power that is inconsistent with the law, and I establish the arbitrary judgment of the Comptroller-general in place of a rule of law.

876. We started upon the assumption that your construction of the Act was correct, being supported by the opinion of the law officers of the Crown; but the question that I put to you is, whether when that construction was adopted, the amendment which you were able by your control to introduce was anything more than a mere technical amendment of the practice, or whether it went to the substance and essence of the issues for the expenditure of the year?—It produced no difference in the amount of the two votes taken together, but it affirmed the principle; that of obeying the law implicitly, and not allowing the Treasury by its warrant in any respect to set aside the obligation of that law, and that was admitted by two eminent lawyers. If I had acted otherwise in this case, I should have laid down a fatal principle, rendering my power of control an arbitrium, and not a legal act.

877. When the Treasury issued their warrant, did they believe that they were violating the law, or did they not take a different view of the construction of the Acts, from that which it seems you more correctly took?—I have not suggested, for a single moment, that the Treasury did anything knowingly wrong. They put one construction upon the Acts of Parliament, and I put another. The construction which I put upon the Acts of Parliament was adopted by the Crown lawyers, and I acted, as I presume I was bound to act, strictly by the law of the land. I cannot go beyond that.

878. Mr. *Cardwell.*] Practically, the Treasury would have just the same power over the whole amount of expenditure for the year under the one plan, that they had

* The three great services, I find, were voted in the first session. The votes withheld were one-half of the Miscellaneous Supply.

had under the other?—Yes, only making the issues in a different manner. But they could not issue without ways and means.

879. *Chairman.*] The object of voting for three quarters of a year, was to compel Parliament to assemble at the end of the year?—I presume so, but I could not put any new construction in reference to my own hypothesis respecting the motives of the Legislature.

880. Suppose that, instead of being in the minority on that occasion, and being turned out, the Whig government had returned to office, and the estimates had been voted for the other quarter, would not the way in which that warrant was proposed to be issued, have covered any peccadilloes of which we had been guilty during our three quarters of a year; I mean, would it not have entirely cancelled any over issues which we might have had during the year?—It might have had that effect; there was a control put upon the issues by the interposition of the House of Commons, and the control was put by Parliament upon the then political state of the case. Supposing that the result of the general election had been different from what it was, and that I had put on the Royal order and instruments of issue the same construction that the Treasury originally put, which was negatived by the Crown lawyers, and had issued the votes indiscriminately, I think that I should have been open to a very severe animadversion, if it could have been said the Act of Parliament prescribes so and so, and you now in deference to political exigencies have given it a different construction.

881. Mr. *Cardwell.*] The real object of passing supplies only for a portion of the year was, to compel the Ministry to assemble the new Parliament in the autumn?—Yes, that may be probable; but many more objects might likewise be suggested. But that supposition, even if capable of proof, would not justify me in giving any but the lawful construction to the Act of Parliament.

882. The construction of the Treasury could not have come into existence until the second Act of Parliament had been passed, or in other words, until the new Parliament had assembled?—That is true.

883. Therefore, the object of the proceeding might have been equally attained in either case?—I deal with the law. I cannot say what the object of Parliament was, but if it had happened that the second Act of Parliament had been passed, as was the case, and if there had been no change of Government, and I had given supplies indiscriminately, whereas Parliament had given them by two distinct appropriations, I should have been open to a very severe censure, and have exercised a most dangerous power, that of dispensing with the law.

884. But we have a different object in view at this moment. There can be no doubt that holding the high office that your Lordship does, it was your duty to execute that office in connexion with the intention of Parliament; but that being conceded, we are now, with a view to the future, considering what practically we ought to recommend Parliament to enact; the practical object in that case being to compel the Ministry to assemble a new Parliament, was there any difference in that respect, whether the Treasury construction prevailed, or your Lordship's more accurate construction prevailed?—I think it was of the very first importance that the accurate construction, whether it was with the Treasury or with me, should be adhered to, because departing from it in any respect or in any instance, sanctions a departure from it in others.

885. That I quite agree to; but have you any objection to address yourself to the practical object mentioned, namely, the control by Parliament over the Executive, and compelling the Executive to take the opinion of the new Parliament as early as possible; would not that object have been attained equally in either case?—I have no right to assume that motive, but if I had, and that such object would have been gained if it was the sole object in view, I must have acted as I did, and refused to make the isses. A similar case occurred at a later period, and under a different Government. I pursued the same course; and that was not in the case of a dissolution of Parliament. A demand was made upon me, in 1852, for advances under Royal Orders that were irregular in themselves in respect to the time of issue and the failure of ways and means. I have a list of them; and acting distinctly upon the same principle that I had acted upon before, not having it within my power to assume what the objects of Parliament were, or whether they were answered or not, but being bound strictly by the law, I acted in respect to the Government of 1852 in the same manner; following the precedent that I had established upon the opinion of Sir William Follett and Sir Frederick Pollock, I showed to the Government of 1852

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that objection applied to those warrants, and I got them corrected in the same manner. In that case, as in the former, no ways and means existed legally provided to meet the supplies. The question is a question, I say, of principle, and not of technicality; for whether it applies to great things or small things, you cannot preserve your principle of appropriation, if public officers bound to administer the law are not strictly guided by the direct letter of the law in the issues of public money. It is right to inform the Committee that in this case an irregularity had occurred at the Exchequer, *per incuriam*, and therefore I take leave to put in the whole correspondence, that the mistake of the Exchequer may be shown, as well as that of the Treasury.

886. Mr. *Wilson.*] You have been asked a question by the right honourable Chairman, whether, supposing that the Government of Lord Melbourne had had a majority, and had remained in office, the construction which the Treasury put upon those two Acts might not have enabled the Government to cover the peccadilloes of the Government, in having over-issued previously to getting the remaining quarter; I ask you whether it is possible that could occur; would not that be limited to the issues, in the first instance, for the three quarters of the year, the same as if it had been for the whole year?—I think so, admitting my principle.

887. Therefore the Government could not have had power to issue more money than Parliament had voted in that case than it has now; your control is limited to the extent of the vote of supply, and when that supply is voted by Parliament, you feel authorised to issue up to the amount of the supply, and no further?—Yes; but the two series of votes might have been issued indiscriminately, if the legality of consolidating the votes were conceded.

888. Therefore no more over-issue could have taken place upon the three quarters than upon the whole year?—No, but their distribution might have been varied. I may state that these two cases, to which I have referred, include above 200 instances of control, and I mention it in reply to the statement made, that no instances of control have occurred except in the Russia Dutch case of Lord Grenville, and my case of the Queen's property tax.

889. Mr. *Chancellor of the Exchequer.*] Do you consider that the most important instance of control exercised by you?—Most assuredly not. I refer to the catalogue or index which I have produced to exhibit many others.

890. Mr. *Hankey.*] Supposing that the Treasury view of the case in the former instance, to which Sir Charles Trevelyan alluded, had been acted upon, would the Treasury have had any power of using money to a greater extent than had been voted by Parliament?—They would have applied it in a different manner; not that there would have been more money, but it would have been subjected to a different application. I could not admit the principle of allowing the Treasury to alter the law in one instance, without giving them the power of altering it in others.

891. Mr. *Bowyer.*] Might not this case have arisen, that it might have been of consequence to the Government to apply the amount of the one-fourth before the supply was voted, and before the re-assembling of Parliament?—No, I do not think that it would.

892. Might not this case have arisen, that the Government might have wished to apply one-fourth of the supply before that one-fourth had been voted by Parliament; and if that had been the case, would not then the control exercised by your Lordship's office have been a material one?—I do not think that the Treasury construction could have enabled them to issue money for unvoted heads of services; that would not have arisen; but Parliament in its ordinary practice votes monies for particular accounts, and not only for particular accounts, but for particular periods. I have given the Committee the case of the Duke of Wellington's funeral, and of the votes for the purchase of land at Kensington Gore, which were voted as part of the services of the next coming year. If the service were voted for 1852, and I had issued that money in the year 1851, I should have violated the law, and set aside the intentions of Parliament. And I show you that the question of time as to payment may become just as material as the question of amount to be paid. Therefore, in this instance, as in all others, I was bound to look to the whole of the enactments of Parliament, and to hold to the time legally fixed for payment as well as to the amount legally fixed for appropriation.

893. If your Lordship had not refused to make those payments might not the money intended to go to the payment of the three-fourths of the supply have been

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been applied to the payment of the one-fourth before that one-fourth was voted by Parliament?—It could not have been done properly or legally.

894. If your Lordship had not exercised your control, and refused to make those payments, might not the effect of your consenting to make them have been that the money which was intended to be voted to pay the three-fourths of the supply would have been applied to the payment of the one-fourth before that one-fourth was voted by Parliament?—If I had in such case exercised the powers that were inherent in me I should not have allowed the misapplication of the monies for services not voted, and I should have been protected either way by not making any issues. In the other case I got a legal authority for making the issues. It is just the same case as the Duke of Wellington's funeral. This would happen if I had not put the right construction, as it is determined to be, upon the issues. The ways and means that were voted for the three-fourths might have been applied to the one-fourth for which there might have been no ways and means at all provided. The Committee will observe that it leads at once to that point, and shows how essential is the question of time in this case.

895. Might not a case possibly arise in which it would be of consequence to the Government to anticipate the payment of a portion of the one-fourth which had not been voted by Parliament, and if so, would not the facility which they would have obtained, if your Lordship had not exercised your control, have enabled them to put off the assembling of Parliament?—No; if ways and means had not been voted they might have postponed it by misapplying the public money; but that was not the intention of either Government, I am quite sure. The real point seems to be this: in the case of the vote for the Duke of Wellington's funeral, 80,000 *l.* was voted, which I was asked to advance at a particular time, but there were no ways and means appropriated for the advance of that particular time. Here is the original order under the sign manual. I did not cancel the warrant, but suspended it, but here is my note upon it, "Suspended upon the 11th of March until we have the ways and means." There is apparently time only engaged, but in that time there is matter actually of essence, because if I had acted upon the Treasury warrant, and the Royal order that came to me in 1841 I might have paid the votes of the fourth quarter out of the ways and means that were provided for the three first quarters.

896. Mr. *Chancellor of the Exchequer.*] Is there not a difference in those two cases: with regard to the Duke of Wellington's funeral there is a single vote, for which, according to the supposition, no ways and means are provided; but in the other case that you are mentioning there is a single vote which is divided into two portions, and the question is, whether you could apply a part of the ways and means that were intended for the first portion to the second portion; will you explain how it is possible that that case should arise; supposing that the vote for stores is a million, and supposing three-quarters of a million are at the disposal of the Government as ways and means, how can it be said that they apply any portion of that three-quarters of a million to the stores of the last quarter of the year?—The thing can be as clearly done as possible. Supposing you have your three quarters supply voted; supposing you have ways and means voted for three quarters, and supposing you have in respect to the fourth quarter the supply voted; by a construction of law you consolidate the two services, and call upon me to advance for the supply of the fourth quarter, and pay it out of the ways and means that were provided for the first three quarters, I am doing that which is plainly and obviously wrong.

897. What possible inducement could the Treasury have to call upon you to issue out of the supply for the fourth quarter when they had ways and means for the first three quarters, and which were applicable to the head of stores?—I do not see the particular relevancy, taking the particular instance. The construction put by the Treasury would have enabled them, by applying their ways and means voted for the three first quarters, to issue money for supplies in the fourth quarter, for which no ways and means had been provided; this would have been contrary to law.

898. Mr. *Wilson.*] Suppose you take a vote of three-fourths of the army services for five millions of money, and then take ways and means for five millions of money with regard to the army services for the whole year, you can make no distinction as to the purposes to which that vote is to be put, excepting for army services generally; you will issue ways and means up to the extent of 5,000,000 *l.* and no further, and therefore it would be impossible, would it not, for the Treasury, under any circumstances, till they had a further vote of supply and

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and further ways and means, to exceed the original vote?—If you have got supplies voted in the first instance for three quarters, and if in the last vote in the fourth quarter. you take a vote for the remaining fourth of the supply, and if you then call upon the Exchequer to issue upon the supply votes included together in the fourth quarter, and to pay that by the ways and means provided in reference to the three-fourths, you are paying money out of a fund not appropriated for such purpose.

899. How could that take place; there is no distinction; the whole is for army services, and if the Treasury could call for an issue at all it must be within the ways and means as you have stated, which have been granted for that supply. The Comptroller of the Exchequer could make no distinction whether it belonged to the three-fourths or the one-fourth, it is all for army services; his limit would be the amount of ways and means that he possessed towards that service?—It must be the service for the time for which the issue is to be made; here is a case; here is a regular Royal Order, asking me to issue, upon a day stated, the 11th of March 1856, that being for the service of the next year, for which no ways and means were voted, if I had made that issue at the time that I was asked to do it, I should have paid it out of ways and means that did not belong to that vote.

900. Mr. *Bowyer.*] In short, the case did happen which the honourable gentleman said could not have occurred?—It exactly occurred there, my object being to show that time in all these matters is material.

901. Mr. *Peacocke.*] Practically speaking, the case could only occur where there was an excess of supply over the ways and means in the first three quarters?—There is no objection to there being an excess in supply; there is a Parliamentary objection to an excess of ways and means; but you may be short in your ways and means; you may have ways and means voted for the first votes and not for the others; and if you take the power of issuing under those circumstances, the time is shown to be of the essence of the whole matter, distinguishing between what is legal and illegal.

902. Mr. *Bowyer.*] There the control of the Exchequer is very material, is it not?—Yes; but whether it was so or not, what I take the liberty of representing to the Committee is that a strict and invariable adherence to the law of the land, and Parliamentary appropriation, is the question which is the essence of the whole, and the opinion given by the Crown lawyers was in my favour.

903. *Chairman.*] Though practically this exercise of your control may not have been of very great importance, do you not consider that the question which was involved in it was of the utmost importance?—The principle is the whole principle of appropriation and obedience to the law; and if the Committee wish to receive (which I shall be most happy to lay before them), the correspondence with Mr. Goulburn on the matter, they will find that he considered it a matter of vital importance.

904. In point of fact, is it not the same question upon a small point as it would be of applying the ways and means of one year to the service of another?—Precisely the same.

905. If it had been yielded to on that occasion it would have formed a precedent, would it not, for similar cases, such as you have alluded to in the case of the Duke of Wellington's funeral?—I think if I had conceded this point, of putting a construction upon a vote of Parliament, in place of looking to the law of the land, or abandoning the strict appropriation of Parliament, the sooner you put an end to Appropriation Acts, and the sooner you get rid of the Comptroller-general of the Exchequer, the better.

906. Mr. *Bowyer.*] In fact, in the case to which your Lordship has referred, the Government wanted to have the money for the one-fourth (for which there had been no supply of ways and means), and which was intended for the three-quarters for which there had been ways and means voted?—They wanted to get the indiscriminate power of issue, and it was upon that point that the law officers decided that my construction was the legal one, and that the construction put by Mr. Goulburn was not sustainable in strict law.

907. Mr. *Chancellor of the Exchequer.*] Do you remember whether the warrants that you have referred to were issued after the second Ways and Means Act had passed, or prior to it?—I would like to put in the whole of the correspondence upon this subject. The Committee will find that a real question at issue was the want of ways and means, and this rested on the question of time.

time. The date of this Royal Order in question was the 27th day of December 1841; that was a correction of the mischief.

908. Were the original warrants issued subsequently to the end of the second Session?—There were no ways and means; it was before.

909. *Chairman.*] At the time when those warrants which were incorrect were issued had there been ways and means voted?—No, there had not.

910. Mr. *Cardwell.*] Then the real difficulty was, as I last understood your Lordship, that the warrant to which you were asked to give effect would have exceeded the ways and means which Parliament had placed at your disposal?—No; but it would have misapplied the ways and means. You cannot apply the ways and means except under an Appropriation Act.

911. Do you mean, that there being ways and means for three quarters, they would have been applied to the expenditure of the fourth quarter?—Yes, exactly, being under another Act in another Session when no supply had been voted; to which ways and means were legally applicable.

912. Mr. *Chancellor of the Exchequer.*] How did the plan adopted by the Treasury increase the quantity of ways and means?—It corrected, by the Queen's authority, and that of a Treasury warrant, the instruments which otherwise were irregular and inoperative. The correction was afterwards sanctioned by Parliament; for the whole of these there was an Act of Parliament passed afterwards; the inconvenience would have been so great, that an Act was brought in, which Mr. Goulburn laid before me, and that did consolidate all the votes of supply, and all the votes of ways and means.

913. That was before the end of the short Session, was it not?—Yes, I think it was, and that made it all right; but in the meanwhile I was enabled to act, if the case required it, upon that correction.

914. Then the course that you objected to was in fact ultimately made legal by Act of Parliament, was it not?—The course that I objected to was made legal by Act of Parliament. I proved that it was illegal without such an Act of Parliament being passed.

915. It was found to be illegal, but convenient, and therefore it was legalized by Act of Parliament, and ultimately acted upon by the Government?—No doubt; and if I had been vested with the power of making law in place of administering it, I might have done what the authority of Queen, Lords and Commons were afterwards required to do; it was a special Act to meet that particular case.

916. The amended warrants probably were issued under that Act of Parliament?—No, certainly not; because the Royal Order was for the purpose of meeting the objection as to the ways and means; and Mr. Goulburn's correspondence will show that that was the point. The Royal Order is dated the 27th day of December 1841, and the Treasury Minute bears the same date.

917. Mr. *Cardwell.*] You cannot operate upon ways and means before Parliament has placed them at your disposal?—No, nor for any uses unsanctioned by law.

918. Mr. *Wilson.*] Was this Royal Order made after the second Appropriation Act had been passed?—Yes.

919. The Royal Order recites that the Appropriation Act has been passed?—"Whereas by various Royal Orders, as hereinafter set forth, given by us, bearing date on the 1st day of October 1841 next, being prior to the day of passing the Act in the last Session of Parliament, entitled, 'An Act for funding Exchequer Bills, &c.,' and another Act for raising the sum of 10,626,000 *l.* by Exchequer bills for the service of the year, we authorise credits to be given by you for certain services voted in the last Session of Parliament, at such times, and in such proportions, and out of such funds as should be specified in the warrants and directions to be given by the Commissioners of our Treasury. And these are to declare it to be our Royal will and pleasure that the said Royal Orders, and the directions contained therein, shall be taken, received and acted upon in the same manner as if all such Royal Orders had been dated subsequently to the day of the passing of the said Acts." Then follow a list of services, 106 in number, with a corresponding Treasury warrant of the same date to the same effect. Errors of a like character occurred in the year 1852, which, upon an objection raised by the Chancellor of the Exchequer, were corrected by Royal Orders and Treasury Warrants, bearing date the 24th and 25th day of June 1852.

920. Mr. *Bowyer.*] The object was to cure what was wrong?—Yes.

921. Mr. *Cardwell.*] We want to find out what was wrong. The first warrant had

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had gone on ways and means not yet placed at your Lordship's disposal, and therefore it was necessary to have a warrant that should operate after the Act had passed, and when the ways and means were at your Lordship's disposal?—Yes; it is very much plainer upon the face of the opinion of the Crown lawyers themselves. I was asked by the Chancellor of the Exchequer whether this was to be taken as an exponent of the most important cases of control exercised by me; I answered in the negative; it was brought forward in answer to the supposed non-existence of any cases of control; but I can put the Committee in possession of cases of a very different character. I am, however, far from underrating the import of this case.

922. Mr. *Williams.*] The amount of the Civil List is 385,000 *l.* a year, is it not?—Yes.

923. It appears by the account rendered to Parliament that the expenditure for the year ending the 31st of March last, was 396,457 *l.* 10 *s.*; will you explain how that extra sum has been paid?—The one includes the Civil List pensions, those that are granted at the rate of 1,200 *l.* a year, under the Civil List arrangement; that sum includes the payments of those Civil List pensions. The Civil List is limited exactly as the Honourable Gentleman suggested; but Her Majesty has the power of granting, under the Civil List Act, pensions to the amount of 1,200 *l.* every year; therefore the accumulation of those grants forms an issue beyond the actual amount which is issued for the regular Civil List purposes; but no more than the amount granted by Parliament is ever issued for Civil List purposes.

924. The pensions formed one of the items of the Civil List, did they not?—No, they did not. There is the sum which has been stated, a fixed and definite sum, and there is the power of granting Civil List pensions to the amount of 1,200 *l.* a year; so that the second year it would be 2,400 *l.*, and the third year 3,600 *l.*, and the fourth year 4,800 *l.*, supposing no deaths to occur.

925. I understand that those pensions are not dependent upon deaths, but the Queen has the power of granting pensions to the amount of 1,200 *l.* every year?—Not exceeding that amount; but that has nothing to say to the amount fixed by the Civil List; the Act of Parliament provides for that separately.

926. Here is a payment in excess, 11,457 *l.* 10 *s.*?—That is the way in which it is partly accounted for. As a further explanation, I have to state that there were savings of the Civil List, in former years allowed to remain in the Exchequer, but which were drawn in this year. I can tell you that not one farthing is issued for the Civil List beyond the amount of the Parliamentary grant.

927. Mr. *Chancellor of the Exchequer.*] I am desirous of knowing what is the most important instance of the exercise of the control of the Exchequer during your incumbency of the office?—I shall be able to refer to that; it is a difficult case to explain; but I will say that the number of instances of control in itself do not exhibit the whole operation of the Exchequer, because it has been the usage of the various Governments, from 1839 to the present time, when they have had to prepare warrants or other instruments, in respect to which any difficulty might arise, to send me those warrants, &c. in draft before they had passed the Treasury, to know in what way, in my judgment, they might be made conformable to law, and that advice has been given before the issuing of the warrant, greatly to the convenience of the Treasury, and not to my inconvenience, though it has been more laborious. I hold in my hand a list of the cases in which the control has been exercised, as it were, by anticipation, in which the instrument has been sent to me for my observation and correction, and that correction has generally so taken place.

928. I understand that you wish to contradict the statement which Sir Charles Trevelyan made in 1848, that there were but two instances in which the control of the Exchequer had been exercised; he mentions Lord Grenville's case, and one other, in which the control of the Exchequer had been exercised; I am desirous of learning from your Lordship what you consider to be the most important case in which that control had been exercised for the protection of the public against the Executive Government?—I have already shown in two instances above 200 cases, in reply to the assertion that there was but one. With respect to the importance and materiality of those cases, it will be for the Committee to determine. With respect to the exercise of control generally, I can give the Committee a list of every case in which it has been exercised. The Committee can select instances for themselves; I am ready to produce those instances, and to give them the documents, and they will themselves

selves be capable of judging how far they were important or not. But as to there being only one single case in which the control of the Exchequer has been exercised by me, I have shown the Committee that in point of fact that is a mistake. I have shown you already above two hundred.

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929. Mr. *Bowyer*.] To show control on the part of the Exchequer, it is not necessary to show cases of refusal?—In the most important way in which the Comptroller of the Exchequer can act, he acts in the way of prevention; and the knowledge of that check prevents the necessity of exercising it.

930. In more important cases probably there would be no occasion for the Comptroller to refuse?—I have been asked to pay without having ways and means to pay, contrary to the intention and enactments of Parliament, and I have exercised control in those instances, and this I conceive to be material in the highest degree; but I can select many other examples if the Committee wish me to do so. I refer to the index I have put in, and more especially to the précès and correspondence on the most important cases. This is also before the Committee.

Lunæ, 9° die Junii, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Henley.
Mr. G. A. Hamilton.	Mr. Peacocke.
Sir James Graham.	Mr. James M'Gregor.
Mr. Wilson.	Mr. Williams.
Sir Henry Willoughby.	Mr. Cardwell.
Mr. Hankey.	

THE RIGHT HON. SIR FRANCIS T. BARING, IN THE CHAIR.

William George Anderson, Esq., called in; and Examined.

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931. *Chairman*.] WHAT office do you hold?—I am Principal Clerk in charge of the financial business of the Treasury.

932. How long have you held that office?—Since the commencement of the war in April 1854.

933. Before that you were Deputy Paymaster?—I was Assistant Paymaster before that.

934. How long did you hold that situation?—From 1838 to 1854.

935. From the time when the Bill of 1835 was passed?—About 15 months after that Bill was brought into operation.

936. Then a great part of the arrangements consequent on that Bill were made in your time?—Yes. I had to carry out many of those arrangements; the principles were settled before I was appointed.

937. Mr. *Wilson*.] Before that, what office did you hold?—I was in the Navy Office from the year 1825 till that department was consolidated with the Admiralty.

938. Were you in the Navy Office when the great reforms were introduced by Sir James Graham?—Yes; that took place in the year 1832.

939. What, in your opinion, is the great object of the finance system?—It appears to me that the objects of such a system should be, the security of the public money, the utmost simplicity of management, and the greatest economy in the employment of the public balances.

940. How do you think that those three objects are to be best attained, as a general principle?—I think that those objects will be best attained by placing the finances under one undivided control and responsibility, consolidating all the public monies into one fund, and issuing them from that fund under one direct authority,—the direct authority of the controlling department.

941. Will you describe, as briefly as is consistent with the object of the Committee, the sources of revenue and the other receipts of the public money?—The sources of revenue are, the great branches of revenue which are controlled by the revenue departments; those take in all the ordinary revenues; and there are various miscellaneous receipts which come in principally

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through the departments of expenditure, such as old stores, and a variety of other items, which are detailed in the finance accounts. Another item of receipt arises from the repayments of advances, which are the reimbursements of loans which have been made out of the Consolidated Fund for a variety of public services. In addition to those, there are special receipts, such as loans, Exchequer bills, and Exchequer bonds. There are also temporary advances which are required to make up the deficiency of the Consolidated Fund, or sometimes to make up the deficiency of the revenue to meet the supply services. These are the great branches of the public revenue, and other receipts, making up the aggregate account of the Exchequer.

942. In what way are those monies made applicable to the public service?—As regards the Consolidated Fund services, the Acts under which the grants are made create a charge at once upon the Consolidated Fund. No further authority, therefore, is required than the Act itself for the issue of those monies from the Consolidated Fund. The supply services are also issued from the Consolidated Fund, but through the medium of Ways and Means Acts.

943. The supply services are services voted by Parliament in each Session; are those votes applicable to the public services before they have received the assent of Parliament in an Appropriation Act, simply upon the vote of the House of Commons?—Yes, they are immediately available for the public service, provided a Ways and Means Act has passed both Houses and received the Royal Assent; an Appropriation Act afterwards confirms those votes, but the issue is made notwithstanding the Appropriation Act has not been passed.

944. According to the practice from time immemorial, a vote of the House of Commons has been considered, has it not, sufficient authority for the issue of money for the supply services, provided a Ways and Means Bill has passed the Legislature covering a sufficient sum to cover those votes of supply?—Exactly so.

945. After the votes of supply are taken, a Ways and Means Bill is passed in general terms for a given sum of money, the Legislature generally not exercising any direct control over any particular vote?—The votes in supply are specially applicable to the services for which they are given by the House of Commons, but the grants of ways and means are general, and they over-ride the whole of the supplies.

946. In the Appropriation Act the whole of the votes of supply are set out in detail, and the ways and means made applicable to these votes, and by that means the whole of the votes of supply obtain legislative force as well as the ways and means?—Yes; in the Appropriation Act the ways and means granted equal the supplies voted, with the addition of the interest of the Exchequer bills, which is not a voted service, but is charged on the supplies. The House of Commons, or rather the Speaker, in fixing the amount of balance of ways and means which shall be granted in the Appropriation Act, allows, in addition to the amount of the votes, the interest of the Exchequer bills.

947. Will you describe generally the application of those monies?—The monies paid into the Consolidated Fund are applicable, in the first instance, to the payment of all those charges which by law are payable directly out of the Consolidated Fund, the interest of the debt (which is a prior charge), the civil list, the annuities, the pensions, and certain salaries, the courts of justice, and a variety of miscellaneous charges; they are next available for the services charged on supplies, through Ways and Means Acts, for the army, navy, and ordnance, and the various supply services. There are other services, such as advances by way of loan, and any deficiency bills, or any ways and means bills, issued to make good the deficiency of the Consolidated Fund, which are also payable out of any monies that are paid into the Exchequer to the account of the Consolidated Fund.

948. According to the existing state of the law, has the interest upon the debt a prior claim upon all other charges at the moment it becomes due?—It is a prior charge upon the whole balance of the Consolidated Fund. On making up the account of income and charge upon the Consolidated Fund at the close of each quarter, the whole balance which remains is set aside, provided it does not exceed the amount of the charge for the payment of the debt; so that we generally commence the quarter without a sixpence in the Exchequer.

949. That is, unless you have more balances than are sufficient to pay the interest of the debt?—The interest of the debt, and other charges upon the Consolidated Fund; the whole of the charges upon the Consolidated Fund have a prior charge.

950. But

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950. But the other charges upon the Consolidated Fund, though made up, are not due at any moment?—Some of them are due; the Civil List is due on the last day of the quarter; many of the other charges are not due till the old quarter days, the 5th of July and the 5th of January.

951. Of course the Consolidated Fund charges have in that way a prior claim upon the monies in the Consolidated Fund, at the close of the quarter, to the supply services?—Exactly; and any deficiency between the full amount of the charge and the amount of that balance makes up the amount of the deficiency bills required to make good those charges.

952. Therefore it becomes absolutely necessary, at the time when the quarter's account is made up, to make a provision which shall be sufficient to carry on the supply services for a reasonable time after the close of the quarter, till the revenue of the succeeding quarter may be adequate to meet those occurring expenses?—Unless that provision were made, we should stop payment in the early part of the quarter, or be compelled to borrow from the Bank on ways and means bills.

953. Therefore it is necessary for the Paymaster, on the last day of each quarter, prior to the Exchequer being exhausted, with reference to the Consolidated Fund charges, to make a provision for a short time, and to be put in a condition to meet the expenditure of the next 10 or 14 days?—Yes, to meet the expenditure of the next 10 or 14 days, in order to carry on the public service until the accruing revenue of the following quarter furnishes the means of carrying on the public service.

954. Mr. *Henley*.] It has been stated, that owing to the prior charges upon the Consolidated Fund at the end of each quarter absorbing all the monies in the Exchequer, and leaving the Exchequer for future purposes bare, it was necessary that the Paymaster should be in funds to meet the accruing charges upon him for 14 or 15 days, till the revenue comes in again. From what sources are those funds to be obtained, and by what process is it that the Paymaster is to be put in funds to meet those charges?—By an issue out of the Consolidated Fund, on or before the last day of the quarter; you may make any issue up to the close of the quarter for supply services, but when once the quarter is closed, and you have made up your charge upon the income, whatever balance is struck must be set aside for the debt. Practically it is giving priority to the supply services; it is so far a fiction.

955. Then, in point of fact, by means of this process, the putting the Paymaster in funds, if there were a deficiency, and that deficiency were not supplied by other means, would be defeated?—Yes.

956. In what mode does the 14 or 15 days' revenue come in, which you say comes in to the Paymaster; will it not first go into the Exchequer, and then be issued to him?—Yes, in the ordinary course; the money is paid into the Exchequer, and then in the ordinary routine it is issued through the Exchequer, and the Paymaster is funded again from day to day.

957. Mr. *Williams*.] Is there any public money existing now that does not form a part of the Consolidated Fund?—All public monies pass into the Exchequer.

958. As part of the Consolidated Fund?—The last year is the first year in which we may say that the whole of the public monies have passed into the Consolidated Fund. During the old war a large portion of all the war taxes, and all the loans and other monies raised for war services, were made directly applicable to the supply services, and they did not form part of the Consolidated Fund, though they went into the Exchequer; therefore, when you had closed the account at the end of the quarter, those monies were not set aside for the debt, because Parliament had appropriated them specially for the supply services, and they could not be issued for any other; but in this last year, 1855–56, for the first time, the loans, the Exchequer bills, and the proceeds of every security upon which the Government has been authorised to raise money, have passed into the Consolidated Fund, and all issues for the supply services have been made out of the Consolidated Fund under the authority of Ways and Means Acts.

959. Was there a certain reason for making the alteration to which you have alluded, within the last 12 months?—It promotes simplicity in the accounts; and altogether it is more regular that all monies should pass into one fund and out again under the usual forms.

960. *Chairman*.] As it was recommended by the Committee of 1831?—I do not think that they entered into that question of extraordinary receipts, such

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as loans; as to the revenue generally, they recommended that the whole of the proceeds of taxation should be paid into the Consolidated Fund.

961. Sir *Henry Willoughby.*] Are the accounts made out quarterly; the accounts, for instance, of the supply services?—The accounts are made up every quarter; they are made up for official purposes more frequently than that, of course; but an account is prepared for Parliament at the end of each quarter, embracing the preceding 12 months; so that it is a quarterly account and an annual account at the same time.

962. Are you aware that the quarterly accounts of the supply services do not tally with the annual accounts?—I am not aware that they differ.

963. Mr. *G. A. Hamilton.*] Will you be so good as put in evidence precisely what is meant by the term Consolidated Fund?—It is the great account into which all the public means, and all the revenues of the State pass, and it would be represented by the capital account of a merchant.

964. *Chairman.*] The Ways and Means Acts are the foundation, are they not, of that power of applying money to any services voted by Parliament?—To any services voted in the particular Session in which the Act is passed.

965. They are confined to that, are they not?—They over-ride the whole of the supplies for the particular year.

966. Sir *James Graham.*] The Consolidated Fund charges, as contradistinguished from supply charges, are fixed by Act of Parliament, and are permanent charges?—Precisely so.

967. The supply charges vary from year to year according to the vote of Parliament?—Yes; they are only granted for a limited period, that is, for that one year.

968. With respect to the first class of charges, the fixed Consolidated Fund charges; from time to time, when payments are made in pursuance of those Acts of Parliament creating the charge, does any warrant issue from the Exchequer directing payment quarterly or half-yearly, as the case may be?—The warrant is prepared quarterly; the Treasury send a warrant to the Exchequer, and the Exchequer then issues the amount of that warrant to the Paymaster-general. A duplicate of that warrant goes from the Treasury to the Paymaster-general to authorise him to pay; that is the form in which the transaction takes place.

969. With respect to the charges invariable and fixed by Act of Parliament, invariably on the Consolidated Fund, prior to each of those payments quarterly or half-yearly, as the case may be, there is a Treasury warrant?—Yes, for each issue.

970. Does that apply to the dividends?—Yes; there is a special warrant from the Treasury each quarter for the payment of the dividends, authorising the Comptroller to place the money to the credit of the chief cashier of the Bank of England, and the sums for life annuities to the National Debt Commissioners.

971. Does that warrant embrace the aggregate charge, or is it subdivided into different heads?—It sets forth merely the amount of each stock, and the interest upon each.

972. With regard to the payment of salaries, or the judicial branch, or the Civil List, is it in one lump sum, or are there different heads set forth in the Treasury warrant?—The Treasury warrant sets forth the whole of the charges in detail; in some cases they are taken in classes, but those cases are very few; the rule is, that they are all set forth in detail in the warrant to the Exchequer as well as in the warrant to the Paymaster-general.

973. Then the warrants are in duplicate now, are they not?—Yes, they must be, for we have two authorities to supply.

974. One goes to the Exchequer, and the other to the Paymaster-general?—Yes; the Paymaster pays upon one of the warrants, and it becomes his voucher.

975. Are both of these sets of warrants kept?—Yes.

976. Are they filed?—Yes; the Paymaster's warrant is finally deposited, with his vouchers for the payment, with the Commissioners of Audit.

977. And the Comptroller of the Exchequer has a warrant as a voucher for the issue of the same?—Yes.

978. Mr. *Henley.*] The warrant to the Comptroller of the Exchequer being to issue to the Paymaster, and the warrant to the Paymaster being to distribute to the parties?—Yes.

979. Mr. *Williams.*] Would it not be an improvement if a warrant were made out for every distinct item of payment?—To issue a separate warrant for

for every item would only multiply the labour unnecessarily; one warrant covers perhaps 200 or 300 charges.

980. Do you detail those charges in that particular warrant?—They are scheduled, and the warrant covers the whole.

981. Still a detail is given, accompanying that warrant?—Yes, a detail is given in the warrant, which goes to the Exchequer for the issue of the money.

982. *Chairman.*] Are the warrants printed?—In most cases; they are so voluminous that we could not write them.

983. Mr. *Wilson.*] Reference has been made to the Report of the Commissioners in 1831; will you describe to the Committee the state of the Exchequer at that time, and the alterations recommended by that Report?—It would be rather difficult to give the state of the Exchequer prior to the change that took place in 1834; it is detailed in this Report. There was a vast number of ancient formalities which it was considered desirable to get rid of. There was the fiction of paying the revenue into the Exchequer instead of the Bank of England. I believe cancelled notes were taken up; the Exchequer was also at that time partly a pay-office. The Commissioners of Account in 1831 limited the duties of the Exchequer to the receipt and custody of the public money, and to the issue of that money under the authorities which are defined by the Act of Parliament.

984. Does it appear to you that the regulations of the Exchequer as they then existed had arisen, in a very great degree, from the fact that the Government was its own banker, and held its own money, and that provision had to be made for the safe custody of it, but when the Bank came to be employed to retain that money, the whole object of those regulations ceased?—Precisely; prior to the change in 1834 their functions were to receive, hold, and disburse the public monies. In ancient times it was an indispensable institution, because we had not the facility now afforded by the Bank of England to take charge of the public money, and it was necessary that the different receivers should pay the money into the Treasury itself; but the adoption of banking facilities, both for the remittance of revenue from the different parts of the country, and more especially the facilities given by the Bank of England in taking charge of the whole of the public monies, appears to me to have removed the foundation upon which the ancient Exchequer rested.

985. Up to that period, although banking accounts were kept, clerks attended from the Bank of England to receive money from the various receivers of the revenue?—Yes, they did.

986. Will you just describe the chief recommendations of the Commissioners of 1831, and what the object of that change was?—The chief recommendations of the Commissioners of 1831 were, that the revenues should be paid into the Exchequer in gross; that all incidental receipts, which up to that time had been appropriated on the estimates of the different departments of expenditure, should also be paid into the Exchequer. They also recommended that the revenue should be paid directly to the Bank, instead of being paid to the Exchequer. They further recommended that all the Exchequer monies should be consolidated into one fund at the Bank, that the forms of issue should be simplified, and that the establishment should be largely reduced.

987. The whole object being a great consolidation of labour and of the functions of the Exchequer?—Yes.

988. In pursuance of that Report, an Act was passed in 1834; did that Act carry out the recommendations of the Committee?—It carried out nearly all the recommendations of the Committee as regards the alteration of the functions of the Exchequer, with the exception that it did not require that the gross revenue should be paid into the Exchequer; nor did it touch those incidental receipts, such as old stores, which continued to be deducted from the estimates of the different departments. Those changes have been carried out at a subsequent period, one of them only the year before last.

989. Under that Act the Exchequer was remodelled, was it not?—Yes, upon the Report of the Commissioners of 1831, but with these exceptions.

990. Will you just describe what the formation of the Exchequer is as it stands now under that Act of Parliament and the present system?—The functions of the Exchequer, as described in the Report of the Commissioners of 1831, embrace the receipt, the safe custody, the legal appropriation, and the record of the public monies. The Committee are aware, as regards the receipts, that

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that the great revenue departments collect the revenue under the authority of Parliament, and they are charged in fact with administering the laws by which the taxes are levied on the people. The revenue is assessed and collected by various collectors, stationed in all parts of the United Kingdom, who are accountable solely to those great departments. The functions of those departments are to enforce all the checks necessary to secure the correct assessment of the duties, and the safe custody of the monies collected; to regulate also the modes and forms of transmission of those monies to the head office in London, and the final deposit of them in the Exchequer. It is also their duty to see in those cases in which the revenue is applied for the public service at the places where it is collected, that it is advanced for services authorised by Parliament, or by other competent authority, and to effect the recoveries as speedily as possible, and pay them to the credit of the proper branches of the revenue in the Exchequer.

991. The Exchequer has no function of control over the collection of any monies, or over any part of the public revenue, until it is paid into the Exchequer?—It knows nothing of the monies until they are placed to the Exchequer account by those whose duty it is to collect them.

992. All the other previous steps are taken under other and distinct authorities?—All the revenues are collected under the responsibility of the Executive Departments.

993. There is no money, properly speaking, now paid into the Exchequer at all?—No, the Exchequer officers cannot touch the money; the monies are placed to the account of the Exchequer at the Bank, and they can only write off or transfer to other accounts.

994. Every private payment of any kind on account of the Exchequer must be made direct to the Bank of England, and a mere intimation is made to the Exchequer of that payment?—Precisely. The Bank furnishes daily returns of the sums which have been placed to the account of the Exchequer.

995. So that what is called the "Receipt into the Exchequer" is now only the intimation of the monies which have been paid on the Exchequer account into the Bank of England?—Nothing more. Another function of the Exchequer is the safe custody of the public money.

996. When you say "the safe custody of the public money," do you mean the safe conduct of the account in the Bank of England known as the Exchequer account?—I allude to what the Commissioners in 1831 describe as the second function of the Exchequer, which is, that they are charged with the safe custody of the money; that is a duty which is, in fact, done by the Bank of England. Formerly the Exchequer, when it had the receipt of the monies, and held them, had a distinct responsibility for the custody of them. At present that duty is entirely superseded, and done for it by the Bank of England.

997. Under the old system the Exchequer held money in cash and notes in a strong chest, and one of their most important functions was the safe custody of that money; but now there is no money going into the Exchequer, but it all goes into the Bank of England; the Bank of England are the custodiers of the money, and the Exchequer merely control the account of the Bank of England?—It is simply now a matter of account with the Exchequer, and not a question of the custody of the monies.

998. Will you explain to the Committee the functions of the Comptroller of the Exchequer over the issues of money out of the Exchequer, and also the control which he has over any payment that is to be made, first of all, upon the Consolidated Fund charges, and, secondly, on the supply services?—No issue of public money can take place from the Exchequer account for the Consolidated Fund services, except upon a Treasury warrant. The Comptroller has the examination of that warrant, and some of the charges he is obliged to take for granted; but in some cases, by a comparison of the documents with former vouchers, and the Acts of Parliament by which the charges are authorised, he can exercise a check, so as to see that those payments are correct; in fact, he can do, before payment, what the Audit Board does after payment. As to the supply services, his check amounts simply to this, that you cannot exceed the aggregate of the supplies voted; for although issues are made under distinct votes, he cannot follow up the payments made out of those votes; he must issue to the full extent of any vote, upon the orders of the Treasury, and of those monies, when once they are gone from him, he knows nothing more.

999. Then

999. Then the control which the Comptroller of the Exchequer exercises is, that upon all issues which are made upon the Consolidated Fund it is his duty to see that those issues are made under the Acts of Parliament which are referred to in the Treasury warrant?—Yes.

1000. It is his duty to see also with regard to those issues upon the supply services, that no issue is made exceeding the amount voted by Parliament?—That is his duty.

1001. Will you describe to the Committee the formal documents that are used in order to get money out of the Exchequer, or rather from the Exchequer account into the Pay-office?—As regards the services charged on the Consolidated Fund, it is simply a Treasury warrant. The Act of Parliament makes a charge upon the Consolidated Fund, and it only requires the authority of the Treasury for the issue; but as to the supply services the form is this: the Crown presents estimates to Parliament, votes in supply are obtained, and Ways and Means Acts are passed; the supply being granted to the Crown, it is necessary to have the authority of the Crown for the issue; a Royal Order is therefore obtained, which is prepared at the Treasury, and sent to the Queen for signature, authorising the Comptroller to issue, on the authority of the Treasury, the whole amount of the vote. This Royal Order is always accompanied by a Treasury warrant in the same terms, and also embracing the aggregate of the vote, authorising the Comptroller to issue upon special applications, from time to time, as money is wanted. The Comptroller receives, very soon after the grant is made, full authority for the whole issue for the year, and then, when money is wanted from time to time, there is an issuing letter, signed by one of the Secretaries of the Treasury, and upon that the actual issue of money takes place.

1002. Then there is not a Royal Order required or used for each particular vote; but supposing that the appropriation account had been closed for the year, a Royal Order would be issued for the whole amount of the services remaining for which Royal Orders had not been previously given?—The army grants are usually included in two Royal Orders, and the same for the navy. As to the miscellaneous services, it was formerly the practice, up to the last year, to have a separate Royal Order for each separate vote, but the number of votes was so much increased last year, that we did not like to place before the Queen 200 or 300 Royal Orders to sign at once; and we placed the whole of each class in one Royal Order, so that the Queen had to sign once instead of 50 or 60 times. There are eight classes in the Miscellaneous Estimates, and we had eight Royal Orders.

1003. Each Royal Order describing the separate vote for which it is made up?—Each Royal Order enumerates in the body of the document, in the terms of the resolution of the Committee of Supply, each separate vote to which it applies.

1004. Could you see any further security in multiplying the Royal Orders?—None at all; if the Crown granted one Royal Order for the whole of the civil services it would do equally well; it is a formal authority, but it is no check; it is prepared by the Treasury itself, and it is a necessary authority, because the grant is made to the Crown, and the assent of the Crown for the issue must be obtained.

1005. Therefore a fewer number of Royal Orders, if they could be compressed into one for the convenience of the service, would be an equal check as if there were a Royal Order for every single vote?—Precisely so; there is no check in the multiplication of those formal documents.

1006. When a Royal Order for the whole amount of the supplies of a year, Treasury warrants are lodged in the Exchequer, both of which are acts of the Treasury, and there is then nothing further to be done with regard to the Treasury but to send issuing letters from time to time to keep the Paymaster-general in funds out of the Exchequer?—When the Royal Orders and the Treasury warrants are lodged at the Exchequer, all the legal forms which sanction the issues are completed.

1007. Then the function of the Exchequer, as it now exists, may be said to be confined to these objects; first, to see that no issue is made upon the supplies of the year after they are voted, beyond the amount of the Ways and Means Bills, or until they are passed in that Session, to cover them; secondly, to see that no Treasury warrant is issued for charges upon the Consolidated Fund that are

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are not authorised by Act of Parliament; and thirdly, to see that no issue is made in the course of the year that exceeds the votes of Parliament as contained in the Appropriation Act?—Those are the duties of the present Exchequer.

1008. Has the Exchequer any power whatever of following those issues after they are out of the Exchequer?—None. The Exchequer has no power either as regards the Consolidated Fund services nor as to the supply services; when the money has once passed from the Exchequer, it is beyond Exchequer control, and the application of it rests entirely upon the fidelity of the Executive.

1009. Mr. *Williams.*] You are aware that the Commissioners in 1831, in very strong terms, recommended that all the public money should be paid into the Exchequer, or into the Bank of England, subsequently?—Yes; that was one of their leading recommendations.

1010. There was an Act passed in 1834 for the carrying out, to a certain extent, but not entirely, of that recommendation?—Precisely; that was the Exchequer Regulation Act.

1011. Can you state the reason why the whole of that recommendation was not carried out?—I suppose that the Government was not disposed to carry out the whole reform at once.

1012. That recommendation quite accorded with your own opinion, did it not?—Certainly. I think it is the foundation of a correct state of public accounts.

1013. There was no difficulty whatsoever, was there, in adopting it?—It has been done without difficulty; and as there has been no change of circumstances in the interval, I think that it might have been done with as little difficulty then.

1014. Under Mr. Gladstone's Act, I believe, the practice now is, that all the money since the passing of that Act has been paid into the Bank of England, on account of the Treasury?—No. Mr. Gladstone's first Bill, when submitted to the House of Commons, contemplated the removal of all the charges upon the gross revenue, with the exception of certain hereditary pensions, which he thought it would be better to redeem out of revenue, and to get rid of altogether. In the progress of the Bill in the House of Commons it was considered that there were vested rights. There were, for instance, Scotch charges, some judicial charges, and persons who had received salaries from the time of the Union out of the gross revenue, and it was thought that it would be a breach of faith to place them on the Votes of Parliament, and they were therefore left on the revenue. There were other matters, such as salaries, which were chargeable on the Consolidated Fund, which that Act also contemplated removing from the Consolidated Fund and placing on the votes in supply, and the same arrangement was made with regard to those; so that when the Act finally passed through Parliament, its chief object was defeated, because charges were still left on the gross revenue; the largest charge was the superannuations and pensions of the revenue departments; there was some want of information, or mistake in the House of Lords (I believe, they did not positively recommend that they should be struck off), but they were not able to come to any satisfactory conclusion, and they were left on the revenue.

1015. Was it not a departure from the terms of the terms of the Act for the Treasury to pay 213,000 *l.* for the redemption of those pensions out of the revenue without the authority of Parliament?—It was no departure from the terms of the Act of Parliament, because the pensions were chargeable upon the revenue, and as they had been paid for 200 years out of the revenue, I think the 27 years' purchase that was paid to extinguish them might very fairly come out of that revenue also. But it did not come before the Treasury as a new question: in the first place, there were precedents; and in the second place, Mr. Gladstone in moving the Bill had given, I think, a distinct intimation to Parliament that that course would be adopted; and again, the object for which it was done was, to enable the Government to place at the disposal of Parliament the gross revenue, and bring it under their control; looking therefore at the object and the precedents, I think that proceeding was justifiable.

1016. You have stated that all remittances of revenue are now paid into the Bank of England, and that the Bank of England acquaints the Treasury with the amount that they have received; do you receive also advice from the parties who make the payments, of the amounts which have been paid into the Bank of England?—Yes; the revenue is paid in daily, and the departments paying

paying in the revenue send an advice to the Treasury, and also one to the Exchequer; and the Bank send a daily account current of all the receipts and payments to the Exchequer, and they send an account also to the Treasury, so that we have duplicate accounts of the transactions of the Bank on account of the Government.

1017. Mr. *Henley.*] You have stated in your evidence that the system of the Exchequer is a check upon the issue of the public money before, in the same way that the auditors check it afterwards. Are the Committee to understand that the audit does nothing more than that?—The Audit Board require all that the Exchequer require, but they require something more, they require proof of payment.

1018. In point of fact the Exchequer issues the money voted under the service of the army, for instance, and the audit sees that it is appropriated and actually paid to the different parties, getting the receipts and vouchers thereof?—The audit does not follow the appropriation upon the Paymaster's account; the appropriation audit is still a limited duty; it is applied to the great departments of the naval and military expenditure, but it has not yet been extended to the miscellaneous votes.

1019. In your judgment is that check, by means of the Exchequer, upon the issue of money for a particular service, a wholesome check?—No, I really see no check which is attained by the Exchequer.

1020. Are the Committee to understand, by your saying that it is of no service, that you think it better to let the money go in the first instance, and to look for its application afterwards, and not to have a check upon its issue, as well as upon its application?—I think that the only practical check that you can have is after it has been applied, and not before. You must issue the money on trust. The great departments of expenditure receive it on trust, and they distribute it on trust to the various imprest accountants, and it is not till it is finally paid away upon vouchers that you can really come to the true and final appropriation of the public money. That is a function which the Audit Board has performed very efficiently for many years in regard to the great naval and military departments.

1021. Then if I understand your opinion rightly upon this subject, it is this, that there ought to be no check whatever upon the Treasury as to any issue of money from the Exchequer, but that the only check, so far as the public is concerned, would be in the other departments, or parties to whom this money is issued?—I think that the Treasury should be the department of check, and its control is far more efficient than any which the Exchequer can exercise; it has the control over the expending departments. The Treasury spends but little itself, but it can control those by whom the public money is applied.

1022. Whether the Treasury have or have not exceeded the limits of Parliamentary authority in the issue of money, you think that there ought to be no machinery, whether of the Exchequer or otherwise, by which it would be at once controlled, and an improper issue prevented from taking place?—It is very difficult with regard to the great departments to exercise a perfect control even at the Treasury, because when the money is issued from the Exchequer we cannot say precisely to what year, or to what vote it is to be applied. A large proportion of it for foreign expenditure goes into the commissariat chests in large sums, and it is like a transfer to a sub-exchequer, you cannot make out your account of the sums expended under any vote for these great departments till their whole accounts are received after payment.

1023. Assuming that the army vote was 20 millions of money, are you of opinion that there ought to be no check upon the Treasury in issuing orders for payment out of the Exchequer funds to the amount of 25,000,000 *l.*?—I think that there might be a check, and that it is practicable to have a very simple one.

1024. What check would you suggest if you say that the Exchequer is no check now as it is constituted?—I think it is a simple banking question. The House of Commons gives a certain credit to the Government; let that sum be placed to the credit of the Government in the Bank, and let it have no power to draw beyond that. A check of that kind might be exercised through a counter signature, without going through the operation of doing the whole business twice over.

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1025. That might be done by whom?—By any authority which Parliament might choose to appoint.

1026. Then that would be another authority analogous to that of the Exchequer, only in a more simple form?—Yes.

1027. In what way would you make it more simple?—I think that a concurrent audit is the best check that you can have in any department; that audit which is now established in the great departments. The auditors see the payments made from day to day; they sit in the offices in which the accounts are made up, and in which the orders for payment are issued; and a check through them, I think, would be sufficient.

1028. That is rather upon the expenditure of the money after it gets into the Paymaster's hands than upon the first issue out of the Consolidated Fund?—But extend it to the Treasury itself, where it does not exist; I think it ought to be extended to the whole, from first to last.

1029. If a Treasury warrant were to be framed to an amount not authorised by the Appropriation Act, or the Act of Parliament authorising the issue, will you state whether, in your judgment, there ought to be any check upon the power of the Treasury to grant such warrants against the banker holding the public money in his hands?—I think the Treasury itself should exercise a check of that kind; but even under the present system it is very difficult to apply it, because though you may not issue more than the credits granted, yet the year's supplies run so completely one into the other, that it is difficult to draw the line. Though you do not issue in the aggregate more than Parliament has voted, you may have issued more than is allowed for the expenditure of the particular year.

1030. Still, keeping to the question of the army service, and a given sum of money, if I understand you, you are of opinion that there should be a check upon the Treasury; but from your last answer, I gather that you think that the present check is not sufficient?—The present check of the Exchequer, I think, is ineffective; it prevents your issuing beyond the total amount of the grants, but not being able to follow the amount, it does not see the appropriation of the issues.

1031. That is altogether another matter; do you think that the present Exchequer system is sufficient to prevent the Treasury from drawing out the funds of the country and placing into the hands of the Paymaster-general that sum which is appropriated to a particular service; do you think that it is sufficient for that end?—The check is sufficient as to the total of the grants, but as to the detail of the application of them it is insufficient.

1032. Do you think that it would be desirable that the Exchequer control should be extended as to the separate items of those large grants?—In theory that control does exist, for the monies are drawn out under each vote, but as the Exchequer cannot follow the money it does not see the application thereof.

1033. I am confining myself to the question as to the issue from the Exchequer; do you think that the present system is sufficient in the control of the issue of money from the Exchequer?—No, I think it is not sufficient.

1034. In what way would you suggest that the control should be made more efficient?—I see no way in which that control can be made efficient; the Exchequer can have no control over the final appropriation of the public money.

1035. I am not inquiring about the final appropriation of the public money; be so good as to confine yourself to the issue of money into the hands of the man who has to appropriate it; do you consider the control now exercised by the Exchequer a sufficient check for that issue?—It is the utmost that you can have. I see no means by which you can make it more efficient than it is.

1036. In your judgment, it not being possible to make it more efficient than it is, I ask you next, is it so far sufficient as to prevent the possibility of larger sums of money being issued from the Exchequer, under a Treasury warrant, greater than that which the authority of Parliament has sanctioned?—It prevents the issue of any sum of money under a vote larger than the amount of the vote sanctioned by Parliament; but it would not prevent the application of a vote granted for one service for another, which would practically be exceeding the grant for that service.

1037. Assuming 20,000,000 *l.* to be voted for the navy, and 20,000,000 *l.* for the army, do you mean the Committee to understand that under the existing system, if the Treasury were to send a warrant for the issue of 25,000,000 *l.* for the service of the army, and 15,000,000 *l.* for the service of the navy, making

40 millions of money together, that there would be no control in the Exchequer to prevent that issue?—Pardon me, the Treasury could not issue 25,000,000 *l.* upon a vote for the army, if it was only 20,000,000 *l.*; it would be at once stopped. But supposing 15,000,000 *l.* to be required for the navy, and the Treasury issued 20,000,000 *l.* and applied 5,000,000 *l.* of that sum to the army, that would be practically the issue of 25,000,000 *l.* for the purposes of the army.

1038. Why?—I mean in the application of it.

1039. I confine myself now to the issue of the money?—It is impossible, where they have authority for monies under a particular vote, and they are limited by the total of it, to send an order to the Exchequer for a larger sum than the vote embraces.

1040. To that extent the existing control is sufficient?—If you can call it control; I do not see much control in it.

1041. If 20 millions of money are voted by Parliament, and if such a thing were to happen as that the Treasury were to demand 25,000,000 *l.* to be issued, the refusal of that issue would surely be a control, would it not?—It is a control upon the first issue; but the real question is, what is the object of the issue; the issue is for the purpose of making payments when the money is placed to account.

1042. You are confounding the questions of issue and appropriation?—I cannot disconnect them.

1043. With regard to appropriation, your statement is this, that 20,000,000 *l.* being issued to the army under a vote of Parliament, and 20,000,000 *l.* being issued to the navy under a vote of Parliament, the control of the Exchequer being sufficient to keep them within the Parliamentary limits when these 40,000,000 *l.* have come into somebody else's hands under this issue he may mal-appropriate the money?—That is a different question, because suppose money is issued for the army, and suppose money is issued for the navy, the Paymaster who pays this money has no discretion himself; he is merely a trustee for the funds placed in his hands for the public service, and for every transfer of funds he must receive the orders of the different departments to which those monies belong; he cannot apply them himself, nor can the Treasury. The Treasury is a department of check on those departments, to take care that they do not get more than Parliament has granted. Then as to money being issued for the army, the Treasury take care that the issues are kept within the limits of the votes of The House. The army departments, under the authority of the Queen, apply that money to army services; the Paymaster could not pay on the order of the Minister for War monies which had been drawn for or belonged to the navy, any more than the navy could order a payment out of the funds which belonged to the army.

1044. One of your former answers to me was that 20,000,000 *l.* having been voted for the navy, and 20,000,000 *l.* for the army, though there was a control over the Exchequer, as to issuing each of those sums rightfully under the authority of Parliament, there was no control beyond, nor certainty that those to whom the money went might not apply the money intended for the navy services to the army services?—I referred there more to any control which the Exchequer possessed.

1045. Now I understand you to say, that those several sums of 20,000,000 *l.* having got into the hands of the Paymaster, that is to say, 20,000,000 *l.* for the navy and 20,000,000 *l.* for the army, he cannot apply money that was paid to him for the navy to the army services, or apply the money that was paid to him for the army to naval purposes?—That is so as regards the Paymaster.

1046. Now, will you point out to the Committee in what way it is that the check is deficient?—The check, as regards the different votes of Parliament; the monies being issued in gross, there is no check at the Exchequer to prevent monies within one department being applied to other votes in the same department.

1047. If I understand you rightly, the control is sufficient in the first issue from the Exchequer, as the Paymaster cannot apply the army services to the navy, nor the navy services to the army, but he may authorise in your judgment the respective heads of either the army or the navy, to make the surplus of one supply make up the deficiency in the other?—The Paymaster cannot, but the departments can. It is a very complicated question altogether. The issues from the Exchequer for the year do not represent the monies that

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are applied to the service of the year. One grant is exhausted before another year is drawn upon, but it may be months before the service of that year is completed. There is a very large portion of expenditure which comes in from abroad, and that may be defrayed when the issues for the preceding year have been all made, and they may come in and be paid out of the votes of the subsequent year, while a portion of the expenditure of the subsequent year may be paid out of the issues made at the termination of the preceding year, and you cannot balance the final account of the appropriations against the cash account of the year.

1048. We have not arrived at that point yet. What I wanted to know was, in what way you considered the check upon the application of the various items in each head of the service deficient?—The check upon the separate votes or the check upon the aggregate?

1049. We have arrived at this: if 20,000,000 *l.* were voted by Parliament for the navy, the control upon the issue of that money from the Exchequer is sufficient, and it being in the Paymaster's hands, can only be applied to navy purposes. But beyond that, in your opinion, there is nothing to prevent the money so voted being applied to other purposes; what check do you think ought to be applied to prevent that state of things?—The check is applied through the Audit Department after the payment. When once the monies have left the Paymaster, a great portion of them are issued upon what are called imprests, that is, without appropriation, and it rests entirely with the departments to apply those monies fairly; and the control over them which Parliament exercises is, when they present their account of actual expenditure, but there is no check which can be established to prevent their applying money for one service to another, when it is in their hands.

1050. The check now is, when it comes before the Board of Audit, the Treasury warrants are then obtained, sanctioning the departure?—Under the Appropriation Act the Treasury has that power, provided it does not exceed the total of the grants; if the total is exceeded the Treasury requires them to come to Parliament for a vote.

1051. If it is within the gross amount, the Treasury warrant permits the audit to take place?—It permits transfers to take place; but even with that authority, which is given to the Treasury, it is very difficult with regard to foreign expenditure to prevent the application taking place frequently before it comes before the Treasury.

1052. In the case in which the expenditure intended for buildings has been applied to stores, or the money intended for stores has been applied to men, that would be sanctioned, I presume, afterwards by the Treasury when it comes before the Audit Board?—Before the accounts are presented to Parliament.

1053. Taking that course of things first, do you see that it is possible to put any check upon it more than exists at present?—I think it is impossible.

1054. So far as that goes, you are satisfied with the present state of things?—As to the whole of the naval and military departments, I do not think that you can make your check more perfect than it is.

1055. Sir *Henry Willoughby.*] Did not the Commission of 1831 recommend that there should be some restraint on the Crown and the Ministers?—Yes; and they recommended the institution of the Exchequer for the purpose of imposing that restraint.

1056. I understood you to say that the Exchequer is no restraint?—I think it is no restraint; excepting upon the point that I stated, that the Exchequer prevents an issue beyond the total amount of the supplies granted, and of the ways and means applicable to them.

1057. There is no doubt that the Commissioners, in paragraph 64, did recommend that there should be a positive restraint on the Crown and on the Ministers as to the legal appropriation of the public money?—They did.

1058. Can you devise such a check?—I have already stated that I think that the best check is a check upon the actual application of the money; you cannot institute a satisfactory check before payment, but you may establish a very satisfactory check at the time of and after payment.

1059. You have stated that the best check is a concurrent audit?—Yes.

1060. Does not the audit find out mistakes after they have happened?—Yes.

1061. Can it prevent mistakes?—An audit of that kind, if it is a question of misapplication, gives a certainty of detection, and I think it acts in the way of prevention.

prevention. I think that that audit which was established in 1832, first for the navy accounts, and which was afterwards extended to the Army departments in 1846, does accomplish it, for the departments will not enter upon a course of misappropriation, and set at defiance the authority of Parliament, when they are certain that it must be brought at the earliest moment under the consideration of Parliament.

1062. But no audit could prevent misapplications of the public money?—No, but it could expose them, and I think that exposure is really all that you can accomplish.

1063. A sum of money was legally paid for pensions, 217,000 *l.* Suppose the Treasury or any other financial authority had authorised the payment, and they had paid half a million, what would have been the check upon that amount being paid?—There was a legal charge upon the revenue to be redeemed; and it would have been positive malversation to pay half a million; that is not a question of misappropriation; I think it goes far beyond that.

1064. I understood you to say that the Royal order was no check; do you say that if a Royal order was obtained for the expenditure of all the public money in one year, that that would be as good a system as taking a Royal order for the various sums as they are wanted?—The Royal order is only a form, and whether it covers 100 votes or one, it is equally valid.

1065. Do you mean to say that the sign manual of the Sovereign is no check upon the minister?—It is the same check, whether it is given in one warrant, or in the form of 100; the signature has the same validity and authority.

1066. But in the case of the 100 warrants, you must have recourse to the Sovereign 100 times?—Yes; but when I said that one Royal order covered a number of services, I did not mean that it authorised the application of the money for those services indiscriminately. On the contrary, the Royal order recites the different votes, and it directs that they shall be separately appropriated; it does not give a sanction to take one for another, to mix up the 100 services together, and consider them as one fund; it is merely a form; it is a covering authority for a number of services included in one document.

1067. Then you think that a Royal order is a form?—So far as regards the Exchequer; it is a necessary and proper legal form, but it is no check in itself, because it merely transfers its authority over the vote of Parliament to the Treasury.

1068. Mr. *MacGregor.*] Does not the Paymaster now receive each transfer of money made to his credit by the Comptroller of the Exchequer clothed with a trust as to its application?—All the monies are drawn from the Exchequer for the purposes to which they are expected to be applied; but the course is this: we apply to-day for the money that is required to-morrow. The Paymaster forms the best estimate he can of the services expected to come in course of payment to-morrow; but you will see at once that he cannot say what bills will come in from abroad, or what claims will be presented. He knows no more than a private banker would know of the cheques likely to be presented; therefore he forms the best judgment that he can of the claims likely to be presented, and he applies for money accordingly. But when you come to the application of that money, those separate credits are written off into his drawing account, and he draws indiscriminately for any services that come in; he places the issues that are made for special services to the credit of those services in his books, and he can finally expend the credits for those services only. The mere cash that goes into the general till is applicable to all authorised services, always taking care that when he takes cash out of his drawing account he pays for no service that has not a sufficient credit either in his books or in the Exchequer; you must consider the Exchequer and Pay Office balances as one in the application of the money; you must consider that there are two funds, and that a portion of the fund is in the hands of the Paymaster, and another portion of the fund is in the hands of the Exchequer, and it would not do to say that the Paymaster should sacrifice public credit, and should not meet a payment because in his estimate he had made a wrong calculation, and had not drawn out enough money upon every particular account; but if there is money in the Exchequer to meet the payment which is demanded, it is his duty to pay it.

1069. Mr. *Cardwell.*] You mean that you pay money to the department which has a credit with the Exchequer, although the Comptroller of the Exchequer has not given his sanction to any money passing into your hands?—Precisely; there is no other course that can be adopted. It is a visionary scheme

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scheme to suppose that the system of Exchequer credits could be carried out as laid down in that Act.

1070. Practically you think that the Comptroller of the Exchequer has no other power than to see that the Government do not expend a larger sum of money than Parliament has voted in supply, furnished by ways and means?—That you do not issue, I will not say expend, but you do not issue from the Exchequer a larger sum for any service than is voted for that service.

1071. Setting aside the question of expending for one year money voted in another, which we have agreed to refer to a subsequent part of the inquiry, you cannot expend on the whole more money than is issued on the whole?—No; the Paymaster is bound by the credits that he has for those different services, and he cannot issue beyond them.

1072. But he does not get the money unless it is issued to him?—His estimates are framed according to the expected wants of each day; there is always money enough on the account to meet any services that come forward, and if there should be a deficiency the account must be supplied anew.

1073. I think you admitted that the Comptroller of the Exchequer does perform the function of confining the expenditure of the Government within the total amount sanctioned by Parliament?—No larger sums can be issued for supply services than the aggregate amount voted; but on the 31st of March last we had upwards of six millions of unissued grants in the Exchequer.

1074. I understood you to say that that check on the part of the Comptroller, is, in your opinion, of very little practical importance?—I think it is of little value, because the money issued for one service may, as a matter of necessity, be paid for another: therefore the check is not with the Comptroller, but really with the Paymaster.

1075. *Chairman.*] What do you really do at the Pay-office as to those votes; as I understand, you draw to the full amount of the votes sanctioned by Parliament as you like; is that so?—Not as we like; all the demands on the Exchequer are made for services that are authorised.

1076. You have an issue from the Exchequer for the army and navy, and for certain miscellaneous services; what do you do when you have got those Exchequer credits?—At the commencement, when you have those Exchequer credits of each day, the amount which is expected to be paid during the day is written off and transferred from those Exchequer credit accounts into the drawing account of the Paymaster, and as the claims come in, cheques are given for them, payable out of this drawing account, and at the end of the day, those various vouchers are sorted under their respective votes, and carried to the account of those votes, so that at the close of each day you know what you have issued on each.

1077. Do you issue from your drawing account monies for any service for which you have not Exchequer credits?—Certainly.

1078. And beyond the Exchequer credit of that service?—Certainly, you issue for any service that comes in; you must do so.

1079. Supposing there are miscellaneous votes, would you, having a credit only for army, navy, and ordnance, issue from those services if called upon for miscellaneous services?—There is no distinction in the cash at the Bank.

1080. Then you would issue for anything that came in, upon which you knew there was a vote of Parliament?—Precisely; the examiner, before he passed a claim, would satisfy himself that there were funds out of which the payment could be made; whether the money is in the Exchequer or whether the money is in the Pay-office, is of little consequence; provided the vote of Parliament is not exceeded the issue should be made; you cannot refuse to pay bills at sight, and claims admitted.

1081. Did it ever accidentally happen to you to issue in cases where there was no vote of Parliament?—The anticipation of votes of Parliament is a great question, the difficulties of which have not yet been overcome.

1082. I ask you the fact?—It no doubt has happened, and does happen every year when Parliament fails to make provision in due time for the public services.

1083. Is that an advance from civil contingencies merely, or do you issue from your general balance?—Generally speaking, there are always some votes obtained for the army and the navy before the 1st of April, therefore they provide funds to carry on the general service of those departments; but if half-

pay and other charges are not voted, you should not stop payment on the 1st of April on those charges.

1804. With regard to the Commission, you have been asked what the opinions of the Commissioners were in recommending the control of the Exchequer; you have no doubt paid attention to the report of that Commission; would you not suppose that their intention was that there should be a strict control, not only upon the issues, but upon the appropriation of the votes?—Yes; I think that is the intention of the report, but hitherto the mode in which they have attempted to carry it out I think has been a failure.

1085. Therefore the present state of the question is not according to the intentions of that Commission?—I think not; there have been other arrangements made since as to the appropriation audit, which may be considered as in some measure coming in aid of the recommendations of that report.

1086. When this Commission made its report, was not it the case that there were a considerable number of separate pay-offices; and did there not exist a Paymaster for the Forces, a Pay-office for the Navy, a Pay-office for the Ordnance, and a civil paymaster, besides several other pay departments?—Yes; payments were made in a variety of offices.

1087. Therefore, at the time when that report was made, the issue to the separate paymasters secured to a great extent the appropriation of the funds to the particular services?—Not more than it does at the present moment.

1088. I did not say to the particular votes of each service, but I said to particular services; for instance, take the navy; the issue to the Treasurer of the Navy was a security that the money was not applied to any other service than that of the navy services?—Yes; but I think that you have the same security under the present system that you had then under separate paymasters. I do not consider that because the Paymaster-general is appointed the banker for all the public departments, any facility has been afforded for misappropriation which did not previously exist. If two persons employ the same banker they have no greater facility of making a transfer from the one to the other than if they employed two bankers; it could be still done; the money might be still issued under the authority of the department to which it belongs, and though it is in one office, the authority for the application still remains separate as before.

1089. Could the Treasurer of the Navy, at the time when he existed, do what you do now?—For all naval votes he could. Where, of course, it is a question of balances the Paymaster-general, if you choose to give him money enough, can keep credits on as many accounts as you please; the real question is the economy of the public money.

1090. You stated that you thought that the Audit Office was the best check upon the expenditure of the public money, and that the control of the Exchequer was comparatively useless?—Yes.

1091. You were speaking, were you not, of the system of audit which exists under Sir James Graham's Bill?—Precisely.

1092. Do you think that that system works by the exposure of anything wrongly done, or by actual power in the Audit Board?—There is no power in the Audit Board, under that system of audit, to prevent excess beyond the votes, if the departments choose to exceed their grants; they have no discretion.

1093. Then the whole effect is produced by the existence of the audit officer there, who ascertains all those transactions or misappropriations if they exist; is not that so?—Yes, they are reported to Parliament in the report of the auditor on the balance sheet.

1094. You have stated that you thought it was impossible at all to make the Comptroller's check effective in the Pay-office?—Yes.

1095. Supposing the same system were introduced in the Pay-office that has been introduced under Sir James Graham's Bill in the navy, army, and ordnance, and supposing the Comptroller of the Exchequer had an officer there who was cognisant of those transactions, would not that at any rate, if anything incorrectly was done, and he was called upon to report to Parliament, be a perfect check by the exposure to which the pay-officer would be subjected?—If every payment made by the Paymaster was a final payment chargeable at once against the grant of Parliament, I could understand that nothing could be easier than such a check, but there are very large sums advanced which

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cannot be appropriated at the time of issue; take, for example, the Commissariat Chest Fund, and the payments in the last year upon Treasury bills.

1096. Mr. *Hankey*.] Anticipating the demand on the army services, a write off having been obtained from the Exchequer, an intermediate payment being required for the navy services, would you not consider yourselves justified in making such payment out of money which had been written off from the Exchequer for army services?—Certainly.

1097. Would the Exchequer have any control to prevent your doing so?—None.

1098. Mr. *Henley*.] You have stated in the former part of your evidence that now the gross revenue is payable into the Exchequer?—With certain exceptions, which I named.

1099. With the exception of the hereditary revenue?—Yes, and pensions, and a certain portion of the judicial establishment in Scotland.

1100. Are you aware of the mode in which the Exchequer authorities keep an account of the payments of the officers of Customs, for instance, at the outports?—Yes, the payments for the charges of collection, that is, to the various Customs establishments all over the country, are made out of the revenue collected on the spot, and the vouchers upon which those payments are made are remitted to the head department in London as so much revenue. The form of the remittance is the same as if they bought a banker's bill; those payments are recovered out of the vote of Parliament to which the payments relate, and the amount goes back into the Exchequer as revenue.

1101. That is rather a circuitous mode of effecting the object, is it not?—It appears to me the most direct mode by which it could be effected, because a circuitous mode would be to send the money up and down again. Here is the public money on the spot, and you cannot adopt a more businesslike or safer course than to apply that money at once to the public service; it is not only safety, but it is economy. If you do not apply this money at once on the spot, you must buy a banker's bill at 15 or 20 days, and send it up. But there is another object also: if you kept special balances in the hands of all the receivers of the revenue to meet those local charges, you would very much increase the amount of money kept out of the Exchequer. The payment of those charges out of those monies that come in from day to day renders it unnecessary for those parties to keep any balance at all.

1102. Then, in point of fact, under that system the gross amount of the revenue never does come into the Exchequer?—Yes, it comes into the Exchequer just in the same way as it would come in if you sent the money down for the payment of those charges, because the Receiver-general of each branch of the revenue will draw from the Exchequer the money that he requires for all his charges, and he will pay it back again with the other revenue, and that makes up the gross amount with the deductions.

1103. Assuming that at Liverpool the gross receipt of revenue was 50,000 *l.* and the collection 5,000 *l.*, that 5,000 *l.* are deducted and paid at Liverpool, and the 45,000 *l.* are remitted to the Exchequer?—Precisely so; the vouchers upon which those payments have been made appertain to the vote of Parliament, and the Receiver-general would draw this 5,000 *l.* from the Exchequer out of the vote of Parliament, and pay it back to make up the 50,000 *l.* of gross revenue.

1104. It is a repayment subsequently?—It is a repayment that exists to a very great extent for other services independently of the charges of collection; the half-pay of the army and navy, and the pensioners that reside in the country are paid in this way; they have permanent authorities to draw their allowances from the receivers of the revenue, and those receivers pay them out of the revenue, take their receipts, and remit those receipts to London as they would remit bills from bankers. The Receiver-general in London presents those vouchers to the proper department charged with the payment of them, receives the money from them and pays it into the Exchequer. It is an economical mode, not only of effecting the public payments, but of remitting the public revenue, because the earlier you can make the public revenue available for the public service the less interest you lose.

1105. What I want clearly to understand is this: is the actual amount of money paid into the Bank of England to the credit of the Exchequer, or is it never

never paid into the credit of the Exchequer, but merely appears as if it were paid in as a matter of account?—It is actually paid in, and the Comptroller-general grants a credit to the Receiver-general of the revenue out of the vote of Parliament for the charges of collection, and the Receiver-general of the revenue transfers to his Revenue account at the Bank the amount advanced out of the revenue all over the country, to replace the revenue stopped in its progress to the Receiver-general.

1106. Mr. *Hankey.*] Is not this the practical mode in which those accounts are settled; for instance, in the account particularly alluded to by the Honourable Member, if a remittance is to be made of 50,000 *l.* from the Customs at Liverpool, and 3,000 *l.*, or 4,000 *l.*, or 5,000 *l.*, are to be deducted, are not those receipts or discharges which are taken for the payment of that money remitted up in the same way as if they were cash, so that, practically, the whole sum of 50,000 *l.* is made up; are they not equivalent to Post-office orders or any other orders?—Precisely.

1107. *Chairman.*] With regard to the gross revenue, you would never propose, would you, that the whole revenue paid should be paid in, but you would always take out in its way to the Exchequer the drawbacks and repayments?—Yes.

1108. Will you state upon what grounds you put that?—A great part of that is not revenue, it is receipt but not revenue; for instance, they are duties which have been paid, but which have to be repaid to exporters, and there is a large amount of inland revenue, for instance, the income tax, over assessments, or assessments upon charities, which are not receivable. The revenue is received, but it is repaid, and you cannot bring it in as part of the income of the country, for it has been improperly collected; over-entries also in the customs; it is a repayment of revenue which does not belong to the public.

1109. But the drawbacks of the inland revenue are paid after the lapse of a very long time, and I do not quite understand why they should not be brought in?—I think it would be swelling the revenue beyond its proper amount, and also unquestionably increasing the public expenditure, and it might be difficult to estimate charges of that kind.

1110. Have you looked into the question with regard to the Estimates; do they vary much?—They would vary very much. Take the case of malt; this year there will be a very large drawback on the stock on hand.

1111. That would come under the Act of Parliament, would it not?—You would have to put the estimated charge which would have to be defrayed.

1112. I meant this, that the drawback could not be allowed without an Act of Parliament granting the drawback?—That is, under the Act of Parliament under which the duty was imposed.

1113. Mr. *Peacocke.*] If I understand your evidence, it is this, that although the Exchequer at present does not act at all as a check upon the expenditure of the Government, no larger aggregate sum finds its way into the hands of the Paymaster?—No larger sum can.

1114. As I understand it, you wish to substitute for the control of the Comptroller of the Exchequer a concurrent audit; but clearly, under the plan of a concurrent audit a check would not exist?—The Treasury check would remain. We never come within millions of the point of issuing beyond the gross votes.

1115. Under the system of a concurrent audit you would only expose the thing after it had taken place, and under the plan of a concurrent audit a check would not exist?—A concurrent audit would impose no check on Exchequer issues.

1116. Then you think that it might safely be dispensed with?—Yes, I think so, with the security which the Treasury check provides.

1117. Mr. *Williams.*] You are aware that the vote of last year for the service of the militia was a much larger amount than the expenditure; what has become of that balance?—That balance I apprehend will, when the account is closed, be surrendered to Parliament; the final state of the balance of that expenditure cannot be known till 12 months after, and I have no reason to suppose that the grants will be exceeded.

1118. Suppose the expenditure of the army required a larger amount than that voted, would this balance be applied for the payment of any portion of the army services?—If there should be excesses under other votes it will be

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submitted to the Treasury, and the sanction of the Treasury asked to apply the surplus of that grant to make good the deficiency on the others, and that will be done under the provisions of the Appropriation Act.

1119. I am now inferring that the Appropriation Act granted this specific fund for the service of the militia, and what I want to know is this; supposing that for any portion of the army service, say the pay of the soldier, the vote was short; would the Treasury, by its warrant, be authorised to appropriate any portion of that unexpended grant to that army service?—Certainly; there is a power contained in the Appropriation Act giving the Treasury authority to apply the surplus of one vote to make good the deficiency upon another within the same department.

1120. *Chairman.*] You have mentioned amongst the receipts into the Exchequer what you call incidental receipts; will you explain how those receipts are paid into the Exchequer; are they direct, or are they paid into the Pay-office, and through that into the Exchequer?—There are very few of those receipts which are paid in to the Paymaster as cash. I will take the case of the receipts for old stores. Suppose a sale of old stores takes place at Woolwich, and produces 5,000 *l.*; the storekeeper of that yard is the money-accountant under the Board of Admiralty, and he takes charge of that money, and uses it in the payment of wages, or any other services in his charge. At the end of the quarter he renders his account to the Admiralty, the Admiralty dissect that account, and charge him with the value of old stores that he has received; and they open an account with the Exchequer, crediting the 5,000 *l.* received for old stores to the account of the Exchequer, in the Admiralty books. They do the same with all the accountants at home and abroad, whose accounts are examined by them; and when the quarterly accounts are completed, the Admiralty give the Paymaster-general an order to pay over to the Exchequer the full amount of those receipts, which had been received by their imprest accountants and applied to naval services. Then the Paymaster-general is obliged to draw that money from the Exchequer in the morning, in order to pay it in again in the afternoon; it is drawn under the Votes for Naval Services, to which the money is applied. That is very much like the case that I explained before.

1121. The revenue is not paid into the Paymaster's hands?—No, he does not touch the money; it is a mere question of account. The imprest accountants of these great departments are the real collectors of the money, and it is used on the spot where it is collected, and it is remitted in the form of vouchers.

1122. It is not paid in cash, but it goes into the pay-account, does it not?—Yes, into the account of the Paymaster; say, for instance, that 50,000 *l.* has been received in the quarter for the sale of naval stores, and that has been expended for wages and victuals, and other services, the Admiralty will give an order to transfer from those votes to the credit of the Exchequer so much money.

1123. To the credit of the Exchequer, but it goes to the Pay-office?—The Pay-office is the paying department; the Admiralty do not touch the money themselves; the Paymaster-general being their banker, he manages all their pecuniary transactions; they have payments to make to the Exchequer for monies received by their imprest accountants, and they give him an order to make the payment.

1124. They direct their accountant to pay to the Paymaster, do they not?—No; no payment takes place, it is a mere transfer of account.

1125. Why is that?—Because the Admiralty monies are held by the Paymaster, and nobody can draw money from the Exchequer for naval purposes but the Paymaster.

1126. You stated, did you not, that the storekeeper in the dockyard actually handles the money?—Yes, and spends it.

1127. Then it is the Accountant-general of the navy who gives direction that the navy accounts should be paid over?—Yes, that the amounts should be paid over to the Exchequer. The operation is this: the storekeeper at Woolwich having received 5,000 *l.* of old store monies, to enable him to make his payments on account of voted services, draws 5,000 *l.* less from the Paymaster-general.

1128. The Accountant-general has no bank account?—None whatever; the only

only banker for the naval departments is the Paymaster-general: all their monies are kept there for all services.

1129. He directs you to pay out of all the credits to the Exchequer?—Yes, the money must be drawn from the Exchequer to make the payment.

1130. With regard to the repayment of surplus monies, how are those repaid into the Exchequer, or are they repaid into the Exchequer?—In the last two years, since I have been at the Treasury, we have surrendered to the Exchequer 860,000 *l.*, the surplus of votes not required for the public service; that has been done by transfer in the Exchequer itself.

1131. As to those payments you speak of which are paid by transfer to the Exchequer, are those the great services, the Army, Navy, and Ordnance?—The principal part of those surplus votes happened to be for civil services; Parliament votes the civil services so late that unless we had balances to carry us on for a few months in the next year we should be constantly anticipating the grants of Parliament for those services.

1132. Has either Parliament or the Comptroller of the Exchequer any means of knowing whether you have spent or not the whole sum which has been voted by Parliament upon any civil service vote?—The Comptroller would know what has been drawn out, but he would not know what portion of it remained in the hands of the Paymaster.

1133. Are there any means now of giving to Parliament an opportunity of knowing whether the whole has been expended or not?—No; no Appropriation audit has ever been applied to the miscellaneous votes; it has been a running cash account; at any rate since the passing of the Exchequer Act; from the first establishment of the office of Paymaster of Civil Services, those votes have been a running cash account. No special appropriation for the service of any particular year has ever been taken; that is one of our defects.

1134. You think that that is a defect?—Certainly I do; but it is a very difficult subject, and it requires a great deal of consideration, and I think that Parliament itself must alter its practice before we can alter ours.

1135. You state that you have repaid into the Exchequer 800,000 *l.* within your recollection; if you had not chosen to repay that, would there have been any check upon you either through the Comptroller or the Audit-office?—None whatever; it rests entirely upon the fidelity of the Treasury.

1136. You must have relied upon the Treasury for those repayments?—Yes.

1137. Questions have been asked with regard to one particular vote, the vote for the Duke of Wellington's funeral; have you got the papers with regard to the Duke of Wellington's funeral with you?—I have not.

1138. What is the practice with regard to the civil contingencies?—The civil contingencies are applied to certain services which are annually submitted to Parliament in the account upon which the annual vote is taken. They are also used, though not finally applied, for services upon which an advance may be required, such as the purchase of a picture, afterwards to be submitted to Parliament, and a vote taken.

1139. With regard to any surplus vote after the expenditure is paid, what becomes of any surplus in the civil contingencies; last year the vote was 100,000 *l.* and the expenditure was 80,000 *l.*?—The difference remains in the Exchequer.

1140. Are you quite sure of that?—Yes, quite sure; I see in this return 100,000 *l.* in the Exchequer unissued on the 31st of March.

1141. Were there of the civil contingencies on the 31st of March 100,000 *l.* actually unissued from the Exchequer?—Yes.

1142. That you might draw upon for the expenses of the current year?—We might draw upon it to meet any expenses until a new vote was taken; you would exhaust that before you touched the new vote.

1143. But it is ready to be applied if necessary?—Yes; the Treasury have of late years been very economical in the employment of that fund, and they have accumulated 100,000 *l.*

1144. Can you tell the Committee how much you have lent besides what would come in the course of repayment in this year?—I cannot from memory state. There is an account of that kept at the Treasury; the items are not passed under my review.

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1145. They pass before you, do they not?—No, they do not; the control of them is specially with the financial secretary.

1146. Orders for payment are made by the financial secretary?—The orders for the payment of advances extend over a long period.

1147. Are the advances repaid always in the course of the next year, or when?—I believe they are repaid as soon as the vote of Parliament is obtained.

1148. Are there no long outstanding advances?—I should think not. I have not looked into that.

1149. What have you got at the Pay-office besides the 100,000*l.*?—There is nothing at the Pay-office; the Pay-office had rather, if anything, overdrawn that account on the 31st March; there was a small sum I believe of 1,500*l.* at the Bank of Ireland for the Paymaster of Civil Services there.

1150. Mr. *Wilson.*] You have been obliged to make an issue to the Paymaster to cover certain charges?—Yes; he never likes to draw upon the civil contingencies vote if he can help it; those repayments come in and give him sometimes a larger balance than he likes to keep; he would rather leave it in the Exchequer.

1151. Mr. *Hankey.*] What do you mean by the account being overdrawn?—Out of his general fund he draws upon an estimate for what he requires, and a payment may come in on the last day of the quarter, which turns the balance.

1152. You do not mean that the account of the Paymaster has been overdrawn at the Bank of England?—No.

1153. Sir *H. Willoughby.* In the last six years the amount that has been voted for civil contingencies has been at the rate of 100,000*l.* a year?—Yes, I believe so; that has been the annual amount.

1154. Can you state what has been the surplus on each year which has not been applied to the services of the civil contingencies?—I cannot do that from memory; we can make out a statement of that kind.

1155. Are you aware that it amounts to 146,000*l.*?—No. I have not seen any account of it.

1156. Assuming that it amounts to 146,000*l.*, or any other sum, how would it be accounted for?—It would remain in the Exchequer; there was 100,000*l.* remaining in the Exchequer on the 31st of March last.

1157. When you say "remaining in the Exchequer," is there no power of issue over that money?—Yes, the Treasury has full power to order the issue of the whole of it.

1158. When you say it is in the Exchequer, it is not under the control of the Comptroller of the Exchequer?—Yes. No credit upon that vote has been granted to the extent of 100,000*l.*; it all remains at the disposal of the Treasury by warrants upon the Comptroller.

1159. And those warrants the Comptroller would be bound to obey?—Certainly.

1160. There is no discretion in the Comptroller?—None whatever.

1161. For what service could that surplus be applied?—It could be applied, when once issued, to any service; if the Treasury were disposed to abuse their trust it could be applied to any service.

1162. Mr. *Wilson.*] The same control remains with regard to that which remains as to every other vote of Parliament?—It is precisely in the same position as any vote taken in supply.

1163. And it could be applied and would be applied to any unforeseen contingency that might arise in the year for which Parliament had not provided the monies?—Yes; if it were legitimately employed those would be the objects.

1164. Sir *H. Willoughby.*] Is there any account rendered to Parliament?—Yes, every year, of all the final charges upon that fund; but there is no account rendered, I believe, of the advances that are made, because they are repayable services.

1165. Therefore Parliament knows nothing about them?—Parliament does not know that an advance has been made for another service out of that fund: for example, if it were for the purchase of a picture, a vote would be required to replace the advance out of civil contingencies.

1166. Mr. *Wilson.*] Parliament is made acquainted with every payment upon that vote which remains a charge upon it?—Yes; directly through the civil contingencies

contingencies account, of every payment made out of the vote, and, indirectly, of all advances out of it, by the votes taken for the services for which those advances are granted.

1167. No final charge whatever could be made upon that account, excepting those which are intimated to Parliament in the account presented along with the Estimates?—If the account were correctly made it could not omit such a charge.

1168. *Chairman.*] That account omits the advances, does it not?—It omits a temporary advance, but not the final charge upon that account. If that temporary advance should be afterwards converted into a final charge it ought to appear in that account.

1169. Unless the Treasury should remit the repayment?—If the Treasury remit the repayment, it is a final charge.

1170. Mr. *Wilson.*] There must be a balance either in the Exchequer, or in the Paymaster's account, for every shilling of the civil contingencies, excepting the amounts intimated to Parliament in each year; there must be a balance to be accounted for by one or the other, either as imprest for the time being, or in hand?—Yes, the balance would be the monies remaining in the Exchequer, the portion issued, and not applied, in the hands of the Paymaster, and any debts that might be owing to the account for advances unsettled.

1171. I think the substance of your evidence is, that the functions of the Exchequer are, that the Comptroller of the Exchequer has no power whatever over the receipt of monies before they are brought to the Exchequer; that he has only power over the account in the Bank of England, which stands in his name, for the purpose of preventing any issue to the Paymaster's credit upon account of supply services, for which ways and means have not been provided, and seeing that the whole aggregate amount of the votes is not exceeded in the issues in the course of the year?—Those are the functions of the Comptroller, and that is the full extent to which they can be exercised.

1172. He neither knows anything of the monies before they come into the Exchequer, nor does he know anything of the monies after they pass to the credit of the Paymaster out of the Exchequer?—No; he has no control over the receipt. His duty there resolves itself into a simple matter of bookkeeping, and as regards the issue, he has a control over the aggregate issue; but he has no control over the application of the different parts of the issue.

1173. Then with regard to the Treasury, the functions of the Treasury are these, a central and general check, and not those of expenditure?—The Treasury is to a limited extent, but only to a limited extent, a department authorising expenditure upon some of the miscellaneous votes. It has no control over the application of any portion of the monies voted for Army services; it has no control over the application of any portion of the monies voted for the Navy services, or the Commissariat, or any other military services; but it is the department whose duty, according to its constitution, should be to control those departments through which the expenditure is conducted.

1174. But the whole of the functions of the Treasury are rather those of control than of expenditure?—Clearly; the Treasury has greater power of exercising control than the Exchequer, because it can call upon any department for explanation if it finds that the department is spending a larger proportion of their grants than the Treasury think they ought to have spent in a certain period, and it can call upon them to revise their accounts and their estimates, that they may satisfy the Treasury that they have made a sufficient provision for carrying on the public service for the year. This actually occurred last year, and the whole of those departments were brought before Parliament to demand supplemental estimates. The control of the Exchequer would have come too late; because the Exchequer, when you came to the last issue upon the votes, would say, "We can issue no more for army services or for the navy;" and unless the Treasury had exercised its control in time they must have been in the predicament of not having sufficient monies to carry on those great services.

1175. It is the duty of every department carefully to anticipate, as far as they can, the wants of their own departments for the coming year, and to submit their proposed estimates to the Treasury for sanction, and, upon the sanction of the Treasury being given, to submit them to Parliament, and obtain a Parliamentary grant?—That is the theory.

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1176. Parliament having granted certain sums of money to various departments of the State, whether for the army, navy, or even for civil service purposes, imposes upon these departments the responsibility of spending that money, subject to the general control of the Treasury, as laid down by the Appropriation Act and other Acts of Parliament?—Yes; the detailed application of the monies granted for those great services rests entirely with those departments. The control of the Treasury does not interfere with the making of contracts or the incurring of expenditure in any shape; all that belongs to the executive departments; but if the Treasury thought that the departments were spending (and they could only know it through the issues), more than they thought ought to be spent in a given period, the Treasury might call for explanation.

1177. The control of the Treasury is limited to those objects which are stated in the Appropriation Act, with regard to the transferring from one particular service to another, the excesses of one vote to the necessities of another, and other minute services which are referred to in the Act of Parliament?—Precisely.

1178. The whole of the responsibility of the expenditure of the vote in detail rests with the department itself?—Yes, entirely with those departments.

1179. Mr. *Hankey.*] Is every estimate necessarily submitted to the Treasury before it is brought to Parliament?—It is done; I cannot say that they are minutely investigated, but those large estimates are principally settled in the Cabinet. The force is agreed upon, and that regulates in a great measure all the rest of those great services. An estimate cannot be submitted to the House until it has received the sanction of the Treasury.

1180. Mr. *Wilson.*] It is absolutely necessary that the whole of those estimates should be before the Treasury in order that the Chancellor of the Exchequer may make his financial arrangements for the year, is it not?—It is necessary that he should know what is to be voted before he can calculate his ways and means.

1181. Then it rests upon the responsibility of the Treasury to furnish ways and means from time to time, and to see that they have the means of meeting the demands which Parliament has granted for all those services?—The Treasury calculate their ways and means upon the amount of those estimates, and if those departments exceed them of course they disturb the whole of the financial arrangements of the Treasury; it is exceedingly inconvenient to the Government, and it is therefore necessary that the Treasury should exercise a control over those departments, because their own proceedings are very much dependent upon the due observance of the regulations laid down at the commencement of the Session.

1182. But the Treasury is charged with the responsibility of seeing that there are funds at the Bank of England throughout the year for the purpose of meeting the expenditure of the various departments?—Undoubtedly; they are bound to look to the public credit.

1183. The great financial duty of the Treasury is to see that the finances of the country are so managed, that from time to time through the year there are funds to meet the demands of the public service?—That is one of the first duties of the Treasury.

1184. Then it becomes necessarily, does it not, the duty and the direct interest of the Treasury to keep the sharpest look out upon all the departments, to see that there is no excess which could disturb those calculations?—Precisely.

1185. If any department were drawing upon the votes of Parliament more rapidly than the Treasury thought was consistent with prudence, would not it be the duty of the Treasury to require them to make some arrangements, which would either obtain an extended Parliamentary authority, which would then impose upon the Treasury the duty of providing extended ways and means or restricting them within the votes already taken?—It is absolutely necessary that the Treasury should perform that duty, because if the department has exhausted all the monies placed at its disposal by Parliament, the Treasury is called upon to sanction the misappropriation, and the department only shifts that difficulty from its own shoulders to those of the Treasury; therefore the Treasury is most interested in all the departments keeping strictly within the limits of their grants.

1186. Does

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1186. Does not the same description of control extend over the departments for the receipt of revenue. The Treasury can make their calculations at the commencement of the year upon certain sums being received under various heads of revenue, and it is for them to keep a close daily or weekly watch as to whether those sums are realised, and if not realised, to require some explanation, and to make provision otherwise, if necessary?—It is necessary that the Treasury should look to that matter also, because any deficiency that arises in those receipts becomes a deficiency for meeting the public charges of the year. A case actually occurred this last year, when the Treasury were obliged to go to Parliament for additional ways and means to meet those charges which Parliament had sanctioned.

1187. Then the general nature of the duties of the Treasury extending over the whole of the financial area of income and expenditure, places the Treasury in a much better situation than any other department can be of control over the whole?—I think that the Treasury is a department of control; the responsibility for every variation ultimately rests with them.

1188. The Treasury have nothing to do with the receipts of money, but they control the receipts?—Just so.

1189. They have no power whatever over the application of those monies before they go into the Exchequer?—None.

1190. The general receivers are accountable, and their duty is to pay the money direct to the Exchequer account, is it not?—They pay under fixed regulations the amount of their receipts daily.

1191. And they have nothing to do except to a very limited extent with the great public expenditure; with that they have nothing to do, except generally controlling it in the way you have described?—They have no power of incurring expenditure in any of those great departments.

1192. Therefore the interest of the Treasury would be on the one hand to see that all those who collect the revenue do their duty and have no means of misdirecting it, and on the other hand the interest of the Treasury is to see that those who have the expenditure of the money keep within the votes of Parliament, and the anticipated extent of that expenditure?—Precisely. Any variation either from the amount of the revenue submitted to Parliament in the Budget, or any excess upon the expenditure, ultimately embarrasses the Treasury, and therefore they are most interested in exercising an efficient control over the departments that are charged with the detail duties in both the branches.

1193. The Treasury receive weekly, do they not, a return from the various heads of receipt, and also they have furnished to them weekly from the Paymaster the whole of the expenditure, so that they are enabled, from week to week, to check and control the one and the other?—They have it daily on both sides. First, the daily return of the revenue paid in, and the issues are made daily; but the account is made up weekly for the Chancellor of the Exchequer and other members of the Government, both of income and expenditure.

1194. Therefore, generally it may be said that the Treasury is a department entirely of control, and not a department either of receipt of revenue or expenditure of revenue?—That is the view that I take of the position of the Treasury.

1195. Mr. *Hankey*.] Parliament having voted sums of money, is there any other means of obtaining such money than through a Committee of Ways and Means?—Parliament having voted certain sums in Committee of Supply, and the ways and means having been also granted by Parliament, the issue takes place as a matter of course upon those authorities.

1196. I meant that this money having been voted, there is no means of getting it except through a Committee of Ways and Means?—Precisely; the vote would not be sufficient to apply this money without a grant of ways and means.

1197. The Committee of Ways and Means can only act through the instrumentality of the Treasury, and at the instigation of the Treasury?—The Treasury move all votes of ways and means.

1198. There is no other public department which knows anything about the Committee of Ways and Means but the Treasury?—No, it is the special duty of the finance department of the Government.

Jovis, 12° die Junii, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Cardwell.
Mr. G. A. Hamilton.	Mr. Williams.
Sir James Graham.	Mr. Wilson.
Sir Henry Willoughby.	Mr. Bowyer.
Mr. Chancellor of the Exchequer.	Mr. Hankey.
Mr. Henley.	Mr. James Macgregor.

THE RIGHT HON. SIR FRANCIS T. BARING, IN THE CHAIR.

William George Anderson, Esq., called in; and further Examined.

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1199. Mr. *Wilson*.] WILL you state to the Committee what the condition of the paymasters was at the time of the Report of 1831, and previously to that Report?—The public payments were then conducted in a great number of offices. There was the Paymaster of the Forces for the army and for the extraordinaries of the army, the Treasurer of Chelsea Hospital, the Agent for the out-pensioners, the Treasurer of the Navy, the Treasurer of the Ordnance, a Vice-Treasurer in Ireland, a Deputy Treasurer of the Ordnance in Ireland, and two Paymasters of Exchequer Bills. In 1834 a Paymaster of Civil Services was established, who took over a number of payments which had been previously made at the Exchequer. Besides this there were money accountants in all the departments; the chief clerk in each department was made an accountant, and drew the amount of the salaries and contingent expenses of his department in gross, and applied it.

1200. What do you conceive were the effects of those multiplied pay offices upon the balances of the public money?—The balances were so scattered that there was then little control, compared with what we have now over the amount of those balances; there was a large accumulation in the aggregate; the more you subdivide your accounts, the larger is the amount of unemployed monies.

1201. There was necessarily a large sum out of the Exchequer which might otherwise, under a better system, have been in the Exchequer?—Precisely; which might have been available for reducing deficiency bills. There was also increased risk, not only arising from the amount of the balances, but from the scattered state of them; and there was also a great division of responsibility. Those pay departments were not directly under the control of the Finance Department. The office of the Treasurer of the Navy was under the control of the Admiralty, and the Treasurer of the Ordnance was under the control of the Board of Ordnance; each of those scattered paymasters was under a separate control, and therefore there was increased risk. And if we look back to the accounts, we find increased frauds arising from that circumstance; therefore the control of the Treasury was necessarily weak over the application of the public money. There was a great want of uniformity in the mode of conducting the public payments. The same service was very differently dealt with in different departments, so that the public, who came in contact with those different departments, had a routine to learn for every office, besides the inconvenience of having to go to the extremities of London to collect their claims; all those were inconveniences which affected bankers, agents, and others, who had claims to settle with the public.

1202. From the Report of the Commissioners of 1831, are you led to believe that there was an intention on the part of that Commission to issue a second report, recommending the consolidation of those paymasters?—The concluding paragraph of the Report of the Commissioners in 1831 distinctly refers to that; and I believe, from conversations which I had with Sir Henry Parnell, when he

he was Paymaster-general, that such was to be the object of the second report.

1203. Was that report ever made?—Never; so far as I am aware.

1204. Did Sir Henry Parnell carry out that, when he came into office?—He was the prime mover in the consolidation which took place in 1836. He had previously been appointed to control the three offices of Paymaster of the Forces, Treasurer of the Navy, and Treasurer of the Ordnance; when he assumed those duties he proposed to the Treasury to consolidate the three departments into one.

1205. Did not a very large consolidation take place in 1836?—Yes; the principal consolidation took place then.

1206. The principle has been acted upon still further since that time, has it not?—It has been going on from that time to this continually; if the Treasury find a separate Paymaster whose duties can be consolidated with those of the Paymaster-general, they abolish that office.

1207. All with the view of consolidating the duties and responsibility into one office?—With the view of concentrating in one office the control over the public money, and to improve the mode of doing the business; a large office can throw off a good deal of additional business without requiring an addition to its establishment.

1208. The consolidation has been carried out with the view of making the control more general and certain, and giving security to the public money, as well as economising the public balances?—Yes.

1209. Can you state what reduction of public balances took place by those consolidations?—The monies were so scattered then, that it is very difficult to say what the saving in the balances has been, but it has been very large; I should say that any one of those large offices kept a much larger balance than the aggregate balance which is kept at the present time by the Paymaster for the whole of the public service.

1210. From your experience as set against those great advantages which you have described, have there been any disadvantages in that consolidation, so far as you have discovered?—No disadvantages that I am aware of. I consider that all that the separate offices accomplished is now more satisfactorily done by the consolidated office; but there are other advantages. In the first place, there has been very great economy, and I should say that since the establishment of the Pay Office in 1836, the public has saved nearly half a million in salaries alone, in the aggregate; and it is probably going on still at the rate of 40,000 *l.* a year. In addition to that, there has been a great saving in the expenses of maintaining so many separate pay offices; they had contingent accounts which one consolidated office very much reduces. There is also, I consider, great additional security to the public money; great additional facilities are afforded to the public for conducting their business, and improved modes of transacting it have been established.

1211. On the subject of the facilities afforded to the public in former times, when there were so many paymasters, bankers sent to receive public monies had to go to a number of different places, had they not, in different parts of London?—Yes; they had to leave their bills for acceptance, and call again, perhaps once, twice, or three times for them; but by having them all left at one office, they are delivered out under one set of regulations, and the business is more regularly conducted altogether.

1212. Can you give the Committee any instance; you referred to one, I think, in which there was a great saving of labour by bringing a single office into the Pay Office?—I referred probably to the Exchequer Bill Pay Office. When that office was a distinct office, it employed two paymasters, and altogether, I believe, nine persons; that was probably for about a fortnight's heavy work during the year; by annexing that business to a large office, that could for a fortnight spare a few hands, and postpone other business, we were able to reduce the whole of that establishment; and when the business was transferred to the Pay Office in 1848, I could not find fair average employment for one clerk.

1213. What you could barely find business for one clerk to do, employed nine persons, some of them at high salaries, in a separate department?—Yes; the same thing occurred as to the civil services; there were, I believe, 13 persons there, several highly paid, and when that business was transferred

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to the Pay Office, a third of that number enabled me to carry it on satisfactorily.

1214. With regard to consolidating the Paymaster, I will call your attention to a passage in Lord Monteagle's memorandum, at page 91; he says, "These motives press on me more strongly at the present moment, when it appears by the proceedings in the House of Commons, that the functions of the Exchequer are proposed to be augmented. It would indeed be inconsistent that Parliament should be induced to entrust the Exchequer with additional functions, and as a check and security against undue issue and appropriation, whilst at the very same time a system is practised, and is daily extending, which goes far to render such Exchequer control nugatory and unavailing. Should the country be plunged into war, the risks and difficulties which I anticipate will be greatly increased. The difficulties of administering the expenditure during an European war will have to be encountered, for the first time in our modern history, through the instrumentality of one single Pay department in place of five. In the late war there were separate offices for paying the Army, the Navy, Army Ordnance, Chelsea, and the Civil Service, besides votes placed in the hands of the Treasury, for Army Extraordinaries and Civil Contingencies. At present all is carried on at one single Pay Office, and unless the issues for each department are accurately made and kept distinct from each other, as required by law, unless care be taken to prevent any possible misappropriation of the funds provided by Parliament from the special services for which they were granted, and unless the public accounts of the Treasury, the Pay Office, and the Bank of England are so kept as to check each other, and correspond with the legal authorities given, and with the Exchequer records, I anticipate with indescribable alarm the consequences to the public service which must ensue." Since that time we have had a European war; has any difficulty arisen from the consolidation of those pay offices into one during that war?—There is no doubt that the war has put to a very severe test all our regulations, not only for conducting the public business, but for keeping the accounts during the last two years; but it would be difficult to over-estimate the assistance which the Treasury has derived, and the benefit which the public has also derived, from the consolidation of the pay offices during this war. During former wars, when all those offices were scattered, the Treasury not only had very little control over the balances, but they could get very little information from the scattered offices as to the prospective wants of the public service. In this war, we have had to deal with a difficulty which did not exist in former wars. During the war which ended in 1815, it was the practice, even down to the latest date, to pay for all supplies, for transports and other services, by bills at 90 or 60 days, and you got then some notice of what you had to pay. During the last war we have not had the advantage of this, and claims have poured in upon us at sight; therefore we have had a difficulty to deal with in regulating our balances, which in former times they had not. But this only shows that the consolidation of the pay offices has been productive of greater benefit than would at first appear. We have had very small balances compared with the large demands that have been made upon us, and the facility of supplying an account at a short notice, arising from the intimate connexion which exists between the General Pay Office and the Treasury, is much greater than it would have been if separate offices, scattered in different places and under a divided control, had continued to exist.

1215. With regard to the great expenditure of the late war, have you been enabled to conduct the finances without any material departure from the system which was pursued during a time of profound peace?—There has not been the slightest variation in the regulations. The system was originally established to meet a great pressure without disturbing the existing regulations; I am not aware of any single regulation that has been altered in consequence of the greatly increased pressure of business arising from the war.

1216. Would it have been possible to have conducted the late war, supposing the same amount of funds had been placed at the disposal of the Government, under the old system?—It would have been totally impossible.

1217. We must have had recourse either to greatly increased taxation or greatly increased loans, to provide larger means at the time if the old system had been in operation?—At first you must have provided a larger sum, in order to provide a greater reserve of balances.

1218. The whole war has been conducted upon the principle of paying for everything

everything at the time?—Yes, the principle of prompt payment has been in operation.

1219. Mr. *Chancellor of the Exchequer.*] You do not mean that the expenditure would have been greater, but that it would have been necessary to keep greater balances to meet the current expenditure?—Yes, at first it would have been necessary to provide larger sums, so as to keep larger balances. When once the balances had been brought up to the amount required to carry on the war, the subsequent issues would not continue greater than under other circumstances.

1220. Mr. *Bowyer.*] You mean that the aggregate of the balances with the different paymasters would have made a larger sum?—Yes.

1221. Mr. *Wilson.*] One of the great advantages you see from the consolidation of the paymasters is, that one single set of responsible officers having their eyes directed to, and their control extended over, the whole of the public service, are enabled to perform all their functions, not only much more accurately, but with a much smaller command of money for the purposes of the public service?—Yes, precisely. There is another circumstance which I should also mention, namely, that when the offices were separate, every transfer between those offices was necessarily made in money, and that shows how much larger the balances in each department must have been; during the last year, I believe the transfers between the services have amounted to something like 15,000,000 *l.* Now, if this had all to be made through the public accounts at the Bank from the cash of each department, a very much larger sum would have been necessary than is required under the present system. At present the Pay Office is a clearing house for all the departments whose monies are deposited there; it has all the same effects in saving the transfer of cash.

1222. Under the present system the Pay Office is the common banker to the whole of the public departments?—There are only a few minor departments whose payments are not made there.

1223. And one public department requiring to make a payment to another has only to desire the common banker of the whole to transfer from the account of that office to the account of the other?—Precisely.

1224. Whereas the old system was like each department keeping its own banker, and if a transfer was made from one department to another, the money must have been taken out of one bank and placed in the other?—Yes.

1225. Can you give any very striking example of the effect of this general control; for instance, the recovery of that large sum of money now known as the Commissariat Chest Fund; do you think that it would have been recovered under the old system?—I think if the offices had remained separate we should never have had the Commissariat Chest Account at all; it was by bringing the offices together that this account was ultimately prepared. When the army extraordinaries were under the control of the Paymaster of the Forces they were mixed up with the army balances, and no distinction was kept; therefore it was difficult to ascertain when a large amount of arrears occurred in the collection of the claims upon the other departments. When the Pay Office was established, and it became necessary to keep accurate and separate balances belonging to each of the departments, the army extraordinaries, or what we now call the Commissariat Chest Fund, was raised as a distinct service; and when it was found that the balance against that service was growing to an undue amount, steps were taken immediately by the Paymaster, either by communicating with the Audit Board, or with the different departments, to hasten the settlement of the accounts to enable the Paymaster to reduce that balance. When I was appointed to the Pay Office in 1838, or shortly afterwards, I think the balance against that account, from 1836, had already risen to about 2,000,000*l.* I was very much alarmed lest there might be a considerable misappropriation concealed under it. I recollect the Right honourable Chairman was then at the Treasury, that he took active measures to remove from that fund to the votes a number of final charges which were upon it; the removal of these expenses from the fund became necessary in consequence of the cessation of the vote which had been formerly taken to meet those charges. It was that circumstance and the large debt which appeared against that account which led to the necessity of establishing a separate account and balance-sheet for that fund.

1226. Did that lead you to investigate the state of the accounts, and if so, what

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what was the final result of that investigation?—The balance was then about 2,000,000 *l.* against the account in the Pay Office books; but a few years afterwards, when the Commissariat Chest account was prepared, instead of being in debt, it was found to have a surplus of assets that amounted to nearly 1,300,000 *l.*, and the difference between the two was of course the amount of loans which, for the service abroad, other departments had obtained out of the army funds, and which had not been repaid.

1227. Instead of a balance standing against the Account of 2,000,000 *l.*, there was a balance in its favour of 1,300,000 *l.*; that sum constitutes now the Commissariat Chest Fund, instead of a banking fund, by which commissariat transactions all over the world are carried on?—Yes; and in times of peace it generally furnishes a sufficient balance in the Pay Office, independently of the large balances which must be kept at each station to meet the claims upon that fund.

1228. You are of opinion that that never could have been done had there been the same number of paymasters continued that there were before that consolidation took place?—I think not.

1229. Will you describe to the Committee the four accounts which are kept in the Bank of England on behalf of the Government, and the nature of each of them?—There are four accounts kept upon which the Pay Office operates for carrying on its pecuniary transactions. The first is called the Exchequer Credit Account; it is a credit given upon the account of the Comptroller-general of the Exchequer; it is one of the supply accounts from which the working accounts are fed. There is also a Cash Account to which all other sums which do not pass through the Exchequer are paid on account of the Paymaster-general. Those two accounts can only be operated upon by writes-off; whatever amount may be upon them, the balances are considered to be in security, and the Assistant Paymaster-general is the person who has the power of writing-off from them, in order to feed the two working accounts, upon which other parties have a power, by deputation from the Paymaster-general, of drawing. Those two working accounts are the drawing account from which all the cheques are paid; these are drawn by an officer in the department, who acts as paymaster. The Bill Account is a drawing account out of which all bills of exchange are paid; these bills are accepted payable upon that account, some by the Paymaster-general, and some by the Admiralty and other departments. The Drawing Account is fed from day to day, even from hour to hour, with the sums which are actually required to meet the drafts of the Paymaster; but the Paymaster has nothing to do with the supply of that account; he never knows the balance that is upon it; he has nothing to do but to go on paying, not knowing whether there are funds on that account or not. That is the duty of the controlling officer of the department, the Assistant Paymaster-general; and the way in which he acts is this:—the Paymaster is required to send to him every hour-and-a-half the vouchers which he has paid during that time, with a statement of the amount; and if the amount of those vouchers is found to be running close upon the balance, he gives a further write-off from the Exchequer Credit Account, or Cash Account, and so on throughout the day. The Bill Account is fed from the same accounts, but as the amount of bills due each day is known beforehand, the Assistant Paymaster-general only places in that account the exact sum required to meet them.

1230. Under what written authorities are the writes-off made?—The Paymaster-general, on coming into the office, grants a deputation to two persons to write-off from these supply accounts to the drawing and bill accounts, and he gives separate deputations to other officers to operate upon these two working accounts.

1231. It is not the same persons who write-off to feed the drawing accounts who operate on the drawing account?—They are distinct persons, and they act as a perfect check upon each other; the Paymaster does not know what funds there are on the account; if he drew a large sum improperly, he would run a risk of overdrawing the account.

1232. The officer who draws the check upon the drawing account does not know whether there is cash or not?—No.

1233. The officer who supplies the drawing account has nothing to do with drawing upon it?—No; there are also other checks; the vouchers upon which payments

payments are made are passed by a distinct set of officers called "examiners," who have nothing to do either with the supply or with the payment; their duty is to examine the vouchers, to certify that the claims are to be paid, and to send them on to the Paymaster. Those vouchers, after they have been paid, are sent up to the Assistant Paymaster-general; they are sorted into their different divisions, and under the various votes; they are then recorded by the book-keepers, a distinct set of officers again; after the whole of the accounts of the day have been balanced, those vouchers are recorded, and the cash books in which they are entered are taken the next morning to the examiners, by whom the claims were passed, and they are compared with their books to see that no voucher has been altered in its progress, or that no omission has taken place either in recording the authority for the payment when it was issued or in the record of it after payment.

1234. So that, in point of fact, if an erroneous payment were made either in amount, or an unauthorised payment at all, it must be discovered at the latest the following morning?—If an unauthorised payment were made, it would certainly be detected on the following morning.

1235. You have stated that there are four accounts in the Bank of England belonging to the Pay Office; that is, the Exchequer Credit Account, the Cash Account, the Drawing Account, and the Bill Account; that is two accounts of credits, and two accounts for being operated upon?—Yes.

1236. The Exchequer Credit Account is a credit upon the Exchequer Account itself?—Precisely.

1237. Will you inform the Committee how that account is fed, or in what form the issues are made; in what sums, and whether from day to day?—The accounts are fed by daily issues, or rather by daily credits given by the Exchequer. The form in which this is done is this: the Paymaster, the day before, prepares an estimate of the sums that he is likely to require on the following day; he sends this estimate to the Treasury, and the Treasury upon that gives authority to the Exchequer to grant credit to the full amount of this estimate under various heads of service. Supposing, by way of illustration, that the following credits have been given, viz., 50,000 *l.* for the army, 50,000 for the navy, and 50,000 *l.* upon various civil votes; the writes-off are made from those Exchequer Credits to the Drawing Account from which the payments are made, and at the close of the day those payments are sorted under their respective votes, and the amount charged against those votes. It will happen, of course, that an estimate, with whatever care it may be framed, could not contemplate every payment that was likely to be presented, and the payments at the close of the day will vary with the Exchequer credits drawn; so that instead of 50,000*l.* for the army, 50,000*l.* for the navy, and 50,000 *l.* for civil service, we may have 40,000 *l.* for the army, 60,000 *l.* for the navy, and 40,000 *l.* for civil service; so that there would remain 10,000 *l.* in credit for the army; the navy will have overdrawn its account 10,000 *l.*, and there will remain 10,000 *l.* under the Civil Service Votes. On the following day when the next credit is asked for, a sufficient sum will be asked for for the Navy, not only to meet the estimated payments of that day, but to cover the amount overdrawn upon the credit of the previous day, and this goes on from day to day. Suppose on one of those days the large sum of 150,000*l.* has been paid to the cash account by the East India Company for some service performed by the War Department on account of the Company, this gives 150,000*l.* to the army, and we should not think, with that money in the cash account, of asking for Exchequer credits; and therefore the Paymaster would use that 150,000 *l.*, and write it off into his drawing account, and make use of it for all the payments that might come in on that day. It would follow on the next day that there would be various services overdrawn, having drawn no credits, and having made those payments out of the cash account, there would be a difference against those services, and on the subsequent days you would adjust that by drawing credits upon the services which had been overdrawn.

1238. An estimate is made one day, and any variation from the estimate in the payments of the following day are as early as possible adjusted consistently with keeping the smallest amount of credits to the Paymaster's account?—Precisely; always taking care that you do not pay for any service beyond the amount that is in the Exchequer at the credit of that service and available to repay the advance.

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1239. What the Paymaster has to do is, to see that he does not ask for a credit for any service beyond the remainder of the vote unissued in the Exchequer?—Precisely.

1240. You have stated with regard to those issues made from day to day, that if they are overpaid you make it up in the issue of the following day?—Yes.

1241. With regard to those issues which are not all exhausted as anticipated, they remain to the credit of the Exchequer account for the next service upon any vote that is required?—Yes; there are two sets of accounts opened in the Paymaster's books; one is opened with each vote, representing the credits which Parliament has assigned to the service, the other is an account opened for that vote representing the Exchequer credit which has been granted; and the payments of each day must necessarily be charged against both, for it is necessary to know not only what the remainder of the vote is, but also the remainder of the Exchequer credits.

1242. The one account shows the amount in the hands of the Paymaster available for the service upon the Exchequer credit, and the other account shows the amount available under the Parliamentary vote unissued?—Yes; the two representing the aggregate sum upon which he has power to draw.

1243. And with a view to the strictest economy, those issues remain from day to day at the smallest amount consistent with the payments which the Paymaster expects to have to make?—Yes, that he expects to pay during the day, always taking a margin for unforeseen payments.

1244. Then his Exchequer credit account is merely a power to a limited extent to draw upon the Exchequer account in the Bank of England, and if funds are taken out of that account and placed at his disposal to a separate account, it remains in one fund?—They are merely credits upon the Comptroller's account; but as those credits are only asked for daily to the amount which is actually required, a transfer takes place as a matter of course each day, and it becomes an actual transfer.

1245. And by that means the Exchequer account in the Bank of England is left as large as possible?—It leaves a very large amount of money in the Exchequer, which under any other system it would be necessary to draw out and place at the disposal of the Paymaster.

1246. Therefore that effects great economy in the general balance?—Yes, and also, I consider, gives security for the public balances.

1247. The other account is a cash account; will you explain to the Committee how the cash account is constituted?—The sums which passed into the cash account last year were unusually large, amounting to 5,750,000 *l.* From that I might deduct a transfer from Ireland, 1,100,000 *l.*; 1,830,000 *l.* remittance of Turkish Loan, and Exchequer Bills which had been paid in money and were re-issued for supply services, 500,000 *l.*; that would leave about 2,300,000 *l.* for ordinary receipts; belonging to the army, 207,000 *l.*; belonging to the Navy, about 300,000 *l.*; 60,000 *l.* to Naval Prize; 236,000 *l.* to the Ordnance; about 250,000 *l.* to the Commissariat Chest; and various civil services, miscellaneous deposit accounts, and so forth, amounting to about 1,300,000 *l.* Of this sum at least 2,000,000 *l.* belong to the votes and other expenditure accounts in the Paymaster's books, that is, they are credits which come in aid of the votes as repayments, not sums in addition to the sums voted; they have been advanced from the votes, and are repaid. The remaining 300,000 *l.* is made up of sums which pass ultimately into the Exchequer, for which the Paymaster acts as a collector. In addition to those sums through the cash account, the transfers between the services, which are also cash transactions, but on both sides of the account, amounted to 15,500,000 *l.*, of which, 8,500,000 *l.* was to the Commissariat Chest in repayment of advances made for services abroad; there were also Exchequer Bills and Bonds amounting to about 7,000,000 *l.* passed to the Paymaster for sale, and placed to his account at the Bank, and transferred to the Exchequer. In addition to that, there is the Patriotic Fund. The services to which those monies belong are, first, as regards the army, remittances through the East India Company for regiments in India; soldiers remit large sums through the East India Company, and they are paid into the hands of the Paymaster for distribution. There are various regimental funds, stamps on officers' commissions, Indian prize-money, balances repaid by regimental agents, paymasters, and other accountants who have had

more money advanced to them than the service required, and which balances are repaid; various repayments from the navy, the army, the East India Company, the Mercantile Marine Fund, and the Patriotic Fund, for pensions paid by the War Office on their account. Staff officers who are stationed all over the country, afford a very convenient machinery for paying pensioners of every description, and they are employed by the navy and other departments, and by the East India Company, to make those payments; they are first made out of army funds, and reimbursement is made at a subsequent date; when those monies come back, they cannot go into the Exchequer, they must therefore pass through the cash account. The Navy make large supplies to other departments of the Government, to the various colonies, to the East India Company, to foreign ships and to merchant ships; in the last year they have also purchased steam-vessels and coals, and have made other supplies on account of the Turkish Government, the repayment of which also comes into the cash account of the Navy; they also pay all the claims on account of the works at Holyhead Harbour, and harbours of refuge, provided for in the Miscellaneous Votes. They also fit up all convict ships at the dock yards, the expense of which is met by issues out of the naval stores and naval labour, but being provided for by another department in the Miscellaneous Estimates, the monies must be repaid by transfers or through the cash account. The navy also supply provisions to the garrisons abroad out of their stores, and they are repaid out of the army votes the amount of those supplies, which come into the cash transfers when that repayment takes place. In the last year, I believe they sent in that way supplies of the value of upwards of a million of money to the seat of war, all of which came back through the cash transfers. When troops are embarked, they are fed out of navy provisions, and the value of the rations is recovered from the War Department from the pay of the troops; that also passes through the cash transfers; there are also various supplies between the Navy and the Ordnance. The Ordnance Department supply clothing, barrack bedding, saddlery, harness and ammunition to the constabulary force, the value of which is repaid out of the constabulary vote. They supply all the clothing for the revenue police; and they make various supplies to the Navy, to the Convict Department, and to other departments of the Government, to the colonies, to the East India Company, and even to Foreign Governments; they make various supplies to other departments, which are repaid, and are passed into the cash account at the Bank. The cash account also includes the interest on various stocks, the County Courts Fund, and a variety of others.

1248. Is not this a proper description of all the monies that pass into the cash account, that none of them are original issues for services voted by Parliament, but that they are the repayments of monies from one department to another, which had been advanced to that department from the issue which had been made on account of the votes from the Exchequer?—Those are the principal items of the cash account, including transfers.

1249. There is an arrangement, is there not, whereby the Army Department at home recruit for a portion of the Queen's service serving in India. That recruiting is done by the military authorities at home, and the expense is paid out of the army vote. It then becomes necessary that the East India Company should repay to the home Government the cost of that recruiting, and that repayment goes into the cash account as a credit for the army expenditure, does it not?—It goes to replace to the army the funds which they have taken out of their votes for services chargeable to the East India Company.

1250. Supposing the army has an issue of 150,000*l.* from their vote from the Exchequer, and that that 150,000*l.* is spent by the army authorities at home on behalf of the East India Company, and the East India Company repay that 150,000*l.*, it, of course, belongs to the Army Department to expend for their own purposes as part of the vote that they have already received out of the Exchequer?—Precisely.

1251. And that 150,000*l.* received into the cash account would be put into the Paymaster's books to the credit of the Army Department?—Yes.

1252. And the Army Department would then have that 150,000*l.* available for their own legitimate expenditure, as contemplated in their vote which they took from Parliament?—Precisely. Those advances for recruiting are made under an Act of Parliament, which directs that those expenses shall be paid first out

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out of the army grants, and recovered afterwards; the Act is the 33d of George the Third, chapter 52.

1253. You have alluded to large payments advanced to the naval department in the shape of stores to the army in the Crimea; am I correct in understanding you to mean that the Navy Department having purchased stores with the monies which had been issued from the Exchequer upon their annual vote, those stores were supplied for the use of the army in the Crimea out of their own stores?—The stores are sent from the storehouses of the navy; the provisions have been first purchased for the navy, they are required for the army, an issue is made from the stores, and the navy have then to purchase others to replace them.

1254. Then the Army Department having received their stores from the Navy Department, instead of making an original purchase with their own money, owe that money to the Navy Department?—Precisely. The navy make out a claim, just as a contractor would do, and send it to the War Department, and it is paid, and comes as a transfer in the books through the cash account.

1255. The navy make out the claim upon the Army Department, and the Army Department make the payment to the cash account out of their vote, which has been issued from the Exchequer to the Naval Department in repayment for those stores?—Yes, the payment is made by a transfer between the cash accounts of the two services.

1256. It is precisely the same as if the navy in the first instance had not purchased those stores, but had kept their money, and as if the army had purchased those stores with money which had been issued from the Exchequer for army purposes?—Precisely; but there is an object in this, that the navy having a contract for provisions, it is more economical to manage the service through them than if the army made a distinct contract. The same thing is done to a very great extent in the Ordnance Department. They contract for a variety of supplies; it is a sort of manufacturing department that supplies many other branches of the public service.

1257. In the course of last year the home Government were requested by the Turkish Government to purchase ships and coals for their use, and the department of the navy were desired by Government to purchase those ships and coals for the Turkish Government, and they did so, in the first instance out of the naval votes issued from the Exchequer for the use of the navy?—No; with regard to a foreign government, that is a different case; as to the Turkish Government, before the navy would undertake to make those purchases they required that the Turkish Government should deposit in the cash account of the Paymaster the estimated amount of those purchases, so that in this case they had the money first.

1258. The difference being only in this case with regard to the time of payment; the payment was made beforehand and not afterwards, but the funds which the Admiralty use may be the funds which belong to themselves, derived from the navy vote?—Yes.

1259. And which is placed in the Paymaster's hands as belonging to the naval services, and the payment of cash into the cash account which the Turkish Government has to restore to the Naval Department is, the payment of the sum of money which they had drawn for their own use from their own vote from the Exchequer?—The money paid in would go at once to the credit of naval services, and the Admiralty would open in their books a credit with the Turkish Government to the extent of the monies so paid in, and as payments were made on account of that Government, they would charge that account with such payments, and the payments would pass through the naval account as if they were naval monies; the Pay Office is not required to keep an account with the Turkish Government; it is entirely a question between the Admiralty and that Government.

1260. In what form are the accounts kept at the Pay Office?—The accounts at the Pay Office are kept according to the most approved form of double entry; and I believe them to be as perfect as any accounts under the Government. Having been in that office many years before I went to the Treasury, I can say that I never could have ventured to undertake the responsibility of conducting those immense cash operations, unless I had had the assistance of that system. Now it is merely A, B, C; the accounts reduce everything to the most perfect order. During the whole time that I was there, and I believe since,

since, no cash error has ever been discovered by the Audit Board in any of those accounts. The account last year I think amounted to about 120,000,000 *l.*, including Exchequer bills.

1261. You cannot have a credit to one department without a debit to another, and you cannot have a debit to one department without a credit to another?—No; every transaction has its counteracting entry.

1262. In every single transaction, there is an adjustment of that transaction at the time it takes place?—Yes; the system reduces everything to order in its first stage. Those transactions may appear complicated to those who have not worked them, but I can assure the Committee that the system of account in operation renders the management of the cash in that large department very simple.

1263. Every issue that you receive out of the Exchequer on account of any one department necessarily goes to the credit of it?—To the credit of the service to which it belongs. I may say that I have never known a single item go to its wrong account, or the slightest difficulty in managing the accounts.

1264. Every issue that is received from the Exchequer on behalf of the navy is immediately credited to the navy account?—Precisely.

1265. Every payment made on account of the navy is debited to the navy account?—Precisely, and a weekly account of them is rendered to the Naval Department, so that there is a check upon them there.

1266. If a payment be made by the navy on account of the army service, whether for the delivery of stores or for any other purposes, and the army repay that sum of money, it must necessarily in your books go to the credit of the navy and the debit of the army?—Yes, precisely.

1267. And that repayment is the money that goes into the cash account, not being the original receipt of revenue, but a repayment from one department of an advance made by another?—Practically it goes into the cash account; but where the transfer is between two departments that employ the Paymaster as their banker, it does not pass through the cash account, except as a transfer at the end of the month.

1268. If you receive a repayment from anybody with whom you have not an account, such as the East India Company repaying an advance to the army, the East India Company having no account in the Pay Office, it must necessarily go into the cash account?—Yes, into the cash account at the Bank.

1269. But the operation of that in your books would be, that the army would be credited and the cash account be debited?—Yes.

1270. Will you explain, with regard to those sums which go to the cash account, in what respect they differ from the receipts of revenue which go into the Exchequer?—All those sums are mere repayments of monies which have been previously advanced by the departments on whose account those sums are refunded, and if those repayments did not come back to those departments, they would find themselves short of funds on their votes; and when they presented their balance-sheet to Parliament, they would have to demand a vote to make good the deficiency in the funds caused by expending them for services which Parliament did not contemplate; therefore it is absolutely necessary either that the departments should recover those monies from those on whose account they have been advanced, or get them from Parliament.

1271. Supposing the army votes to be 6,000,000 *l.*, and that the army advance on behalf of the East India Company half a million, if the repayment from the East India Company, instead of being made to the army, were to go back into the Exchequer, the army would still only be able to draw the 6,000,000 *l.* from the Exchequer, but they would have only five millions and a half at their disposal, because half a million had gone back into the Exchequer?—Yes, because they have advanced it for another department.

1272. For every issue from the Exchequer, the department on whose account it is made is responsible in their annual account to the Audit Board?—Each department debits itself with the full amount of the grants, and it can only take credit for the payments made out of those grants for services which Parliament has sanctioned; and if they employ any money drawn from the Exchequer for other services, it can only be as an advance to be repaid.

1273. If they were not to repay it, or were to pay it back into the Exchequer, it would be a reduction of the vote which Parliament had given them for their own uses?—Precisely.

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1274. When the Admiralty purchased 20,000 *l.* worth of coals on behalf of the Turkish Government, in what way would that purchase appear in the annual Finance Accounts, or would it appear at all in the annual Finance Accounts?—It would not appear in the public accounts, but it would appear in the Admiralty books; each transaction would necessarily be recorded, and would pass under the review of the auditors; they would see that the money deposited by the Turkish Government was not carried to the credit of the naval service; but that it was carried to a separate account, and applied to the service for which it was so paid; and they would see that the payments were charged against that sum, and not against the naval votes.

1275. The 20,000 *l.* would have to be accounted for by the Admiralty in the legitimate services in one way or the other, and when they get the repayment, they apply it to their own proper purposes, and account for it?—Yes; the application of the audit does not extend solely to the services which appear in the account laid before Parliament; it takes the whole range of receipts and payments which pass through the department; they examine every entry made in the ledger and the balance-sheet; all those receipts and payments would appear in the accounts of the department, but not in the account laid before Parliament, because they have no reference to it.

1276. But the Audit Office would demand from the Admiralty the authority under which the payments were made?—All the authorities and the vouchers are placed before them.

1277. With regard to this cash account, consisting of monies such as you have described, is it not a rule which is always observed, and which has been laid down by all Treasury Minutes from 1831, that that cash account should be exhausted before you operate on the Exchequer account?—Precisely. If you want to reduce the balances to the lowest amount, you must prevent accumulation upon an account of that kind. If a sum is paid in to the credit of the army in the cash account, you must use that money for services generally before you allow any Exchequer credits to be drawn, otherwise you place at the disposal of the Paymaster a larger sum than he requires for the public service.

1278. But it is a rule laid down throughout the whole of the Treasury and Pay Office Departments that that cash account, in order that the greatest economy of balances may be attained, shall be exhausted from day to day, before the Exchequer credits are acted upon?—That is the rule laid down in the Exchequer Minute of 1834, and it has been continued ever since, and it is an indispensable regulation if you are to economise your balances.

1279. The two drawing accounts are fed from day to day, first from the cash account if there should be cash in hand, and, secondly, from the Exchequer credit account, to the extent necessary for the day's payments?—That is the rule acted upon in feeding those accounts.

1280. So that you have nothing upon that drawing account that is not necessary for the day's payments; you exhaust the cash account before you go to the Exchequer account, and you receive credits upon that Exchequer account from day to day, as required?—Yes.

1281. Thereby there is not a shilling in any of those three accounts except what is necessary for the transactions from day to day, and the whole of the remainder remains in the Exchequer account?—Yes, all the difference which it would be necessary to draw out to put every account in credit, remains under the custody of the Comptroller of the Exchequer.

1282. By this practice you may say that the whole amount of the public monies which are not required for the payments of the day are in the Exchequer account, under the control of the Exchequer?—Precisely.

1283. Mr. *Chancellor of the Exchequer.*] What proportion of the cash account consists of the repayments of sums originally issued from the Exchequer?—I reduced the cash account of last year from 5,750,000 *l.*, by taking out special items, which will not occur again, to about 2,300,000 *l.*; I take the 300,000 *l.* as representing revenue paid into the Exchequer, and 2,000,000 *l.* as being the sum which represents reimbursements to votes and other accounts; it was larger last year, during a year of war; during peace, it will be smaller.

1284. In an ordinary year of peace, what proportion would the monies standing upon the cash account, in the course of the year, which had never found their way into the Exchequer, bear to that portion of the account, which consists

consists of repayments of sums originally issued from the Exchequer?—Though this account is large, I do not think the proportions would vary much from an ordinary year of peace; the proportions in this account are 20 to 3, the 3 representing the revenue, and the 20 representing the repayments to votes.

1285. Mr. *Wilson.*] Then the principle which is now adopted, is that of making one single central fund applicable to the whole of the expenditure of the public service?—Yes, we consider the monies when in the hands of the Paymaster as forming one fund from which all claims having a credit on the votes are to be met.

1286. Although it is possible to prevent an issue from the Paymaster's Office, and the rule is attended to as much as is consistent with the transfers from day to day, to prevent an issue beyond the Parliamentary vote, would it be possible, do you think, to separate those Parliamentary votes in such a way as to have an issue from the Exchequer for each vote, and make that issue applicable only to that vote?—I think it would be impracticable. I will mention one or two items to illustrate that. The sum paid by the Paymaster-general in the last year for Treasury bills, which are bills drawn by the Commissariat officers abroad for the supply of their chests, amounted to 6,327,000*l.*, and the amount of specie sent out from this country for the same purpose was 3,662,000*l.*, making, in round numbers, 10,000,000*l.* Now you cannot appropriate that money to the particular votes to which it is applicable at the time of issue; that money goes to supply a sub-exchequer in each of those places; it is not appropriated money applicable to specific services. In addition to that the navy draw what are called imprest bills, which are also advances to sub-accountants, and not appropriated to particular services, about 3,600,000*l.*; and there was a similar service in the Ordnance, amounting to about 3,000,000*l.* more; those large sums make it impossible to keep a separate account of the Exchequer credits. You could not divide your cash into votes. As regards the Army, Navy, and Ordnance Departments, no attempt has ever been made since the introduction of the Exchequer Act in 1834 to keep an account at the Exchequer, of the separate votes for those services, although I think if there were any value in the system of Exchequer credits, those are the very services to which it would have been most important to have applied the principle; yet from the first day of that Act being brought into operation down to the present time, no attempt has been made to do more than issue those services in gross. All that has been done has been to apply the principle of Exchequer credits to the miscellaneous votes, where there is very little opportunity for misappropriation on a large scale.

1287. Even with regard to those small votes, would it be possible without very materially and unnecessarily increasing the balances in the hands of the Paymaster, to separate each issue from the Exchequer, and to apply it strictly for the purpose for which it is issued?—Not without keeping a considerable aggregate balance under those accounts; advances are also made abroad out of the Commissariat Chest for several of those miscellaneous services.

1288. For the convict service for instance?—Yes; very large advances are made for that service, and for all the salaries of the colonial establishments.

1289. The other day the Comptroller of the Exchequer expressed his great astonishment that there should be the sum of 350,000*l.* drawn upon an old vote on one day, and intimated that he supposed it was for another service; will you explain under what circumstances that issue was made?—It was an issue made to reimburse the Commissariat Chest, the amount of a claim which, on the previous day, had been sent to the Treasury by the Audit Board.

1290. It was to reimburse payments which had been made through the Commissariat Chest for convict services, and which could not have been appropriated at the time that the money was issued from the Exchequer originally?—No; it was the exact amount of the claim sent in; it was to repay out of the vote of Parliament the sum advanced by the Commissariat Chest.

1291. Sir *Henry Willoughby.*] Do you think the Comptroller of the Exchequer was aware of that circumstance?—No; he had no means of knowing it.

1292. Mr. *Wilson.*] Therefore, although in point of theory the monies are issued from the Exchequer for the special votes for which Parliament grants them; it is, in your opinion, absolutely impossible that that appropriation shall continue in the application of those monies when in the Pay Office?—You can keep no separate cash accounts for the distinct votes, unless you could make every payment a final one, and charge it against the vote when it is made; I

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have already shown the Committee, that those millions of money issued without appropriation, prevent your making that separation according to separate votes which is absolutely necessary before you can fully carry out that system. When the Exchequer Act was passed the Pay Offices were so scattered, and the mode of conducting the pecuniary business of the public so little known, that it was not till you brought them together, and reconciled their conflicting regulations, that the full difficulties of the system were seen.

1293. Then the principle which is now pursued, is to keep as much as possible, the whole of the public monies in one single fund?—Yes; to keep the cash in the banking accounts as one common fund.

1294. Do you consider that that principle is consistent with the annual Appropriation Act?—It is perfectly consistent with the annual Appropriation Act; because no issue is made without being sanctioned by Parliament, and is, so far as the Pay Office can do so, within the limits of the vote.

1295. Do you consider that to be strictly consistent with the Exchequer Act of 1834?—Not according to Lord Monteagle's interpretation of that Act; I should say that it was inconsistent with the opinion he has given.

1296. Do you think it is possible, keeping one general cash account fund which is operated upon as you have described, to apply the Exchequer Act of 1834, according to the construction that has been put upon it by Lord Monteagle?—I think not.

1297. Has this principle ever been inquired into or recognised by Parliament? This principle was fully inquired into about three-quarters of a century ago. In 1780, Parliament was justly displeased with the large accumulation of balances which had accrued in the hands of various public accountants, both of receipts and of expenditure, and they appointed a Commission consisting of independent persons, selected solely on account of their knowledge of the subject, to inquire into it. I will trouble the Committee by reading three extracts from the Report of those Commissioners; they are short, but to the point. I will merely premise, that it appears to me that this system of subdividing the funds and creating separate balances had its origin in a very defective state of the public accounts. In the absence of those securities which a perfect system of public accounts would have afforded, Parliament was driven to the necessity of creating those separate funds to prevent misappropriation and confusion in the accounts. Thus we find in the old accounts of that date that the revenue departments had a variety of funds; I believe the Customs were broken up into about 30 or 40 distinct funds. For instance, a particular tax was directed to be set aside in order to accumulate a fund upon which the interest of a particular loan was charged, and if the fund was deficient some other fund was charged with that deficiency, and if there was a surplus upon the fund there was a distinct appropriation for that surplus. Those who refer to the accounts of that period can alone appreciate the intricacy of that system. In the departments of expenditure monies were drawn out under a variety of heads of service, and balances accumulated upon each; I am quite aware that at that period the interests of individuals had a great deal to do with the system, and practices which in the present day would be considered high crimes, were then admitted, and profits on balances were recognised as part of the legitimate emoluments of public servants; but I believe the chief cause of the multiplication of funds and balances was the defective state of the public accounts. I will just read what the Commissioners of 1780, who inquired fully into this subject, and who released a large amount of public money for the use of the public, say on the subject of balances; their Reports are some of the most valuable that have ever been written, either before or since, on these subjects.

1298. Sir *James Graham.*] Who were the Commissioners?—They were Commissioners appointed by an Act passed in 1780, the 20th Geo. 3, c. 54. The Commissioners state in their Fifteenth Report, "If the principles on which we have endeavoured to establish this consolidation of the Custom duties be well founded, they lead to a still more important and extensive regulation. We cannot presume to pronounce without a previous examination that they can be applied to such other offices of the revenue as are perplexed with a multiplicity of distinct accounts; but it is highly probable that distinction in every office is, for the most part, rendered necessary upon the same ground of appropriation, and if so, it may upon the same principle be abolished. This will open the way to a great measure of financial regulation; to the introduction of the most simple of all modes of account

account into the depository of the public treasure, the formation of one fund, into which shall flow every stream of the public revenue, and from whence shall issue the supply for every public service. This plan is consistent with every distinction of account in the Exchequer that may be necessary to preserve the knowledge of the produce of each of the several leading branches of revenue, and the quantum and circumstances of the issue for any particular service." "There is no danger of confounding the receipts, nor of the issues exceeding the sum voted or appropriated for it." That principle, which applies to the whole of the receipts, though nibbled at at different times during the interval, was not finally carried out till 50 years after it had been recommended, and it was carried out by the very Commissioners who are now supposed to have split up the public balances into those minute divisions called Exchequer credits. The Commissioners state, at page 11 of the Exchequer Report, paragraph 105, "We can see no sufficient reason for continuing the practice of making particular taxes and portions of taxes subject to particular charges or payments. A change in this respect will still further relieve the Exchequer from part of the unnecessary complication which at present embarrasses its operations. Whatever grounds may have formerly existed for this usage, they must have long ceased, and all distinctions of this description should cease with them. We feel no hesitation in proposing that the whole proceeds of the taxes, and of the other sources of the public revenue, when in the custody of the Exchequer, should form one fund, liable to the whole charge of the public expenditure. No person can seriously entertain the opinion that the public creditor derives the least additional security from the declaration that part of the revenue is peculiarily applicable to the payment of his dividends; and on the other hand, of all classes in the community he is most interested in the introduction of any improvement that can effect simplicity, accuracy, and security in the administration and application of the public revenue." That is the principle embodied in the Exchequer Act, and the consolidation of those balances has been carried out, and exists at the present day with very great advantage to the public service. It promotes economy, in placing a larger fund at the disposal of the Government, and produces great simplicity in the public accounts.

1299. Mr. *Chancellor of the Exchequer.*] Was not the Consolidated Fund established by Act of Parliament in consequence of this Report?—I believe it was established about seven years after the First Report; but the receipts were not finally consolidated into one fund till 1834. But the Commissioners did not stop there; they went into the departments of expenditure and they made the same objections to the system which existed in the Pay Offices. In the office of the Paymaster of the Forces, they found the same evils existing. The Commissioners state in their Fifth Report, "During the course of our inquiry, certain circumstances in this office (the Pay Office) attracted our attention, as subjects demanding present correction and prevention for the future. The usual course of the receipts and issues in this office for several years, has constantly put into the hands of the Paymaster-general a large sum of public money not employed in the public service, expressly contrary to that sound maxim of prudence and economy, that more should not be issued from the Exchequer for any service than that service wants. He asks sums of the Treasury under specific heads of service, and in the form of a computation; the Treasury direct the issue in the terms he asks it, without knowing whether the service is adequate to the requisition, whether the computation be just, and whether he has not already in his hands full as much as he wants. There is no control upon him in the Exchequer, the only attention of that office is to see that the issue does not exceed his credit, and that his credit does not exceed the supply for the Army Services voted by Parliament that year." The evil was rather more pressing in this department in consequence of the large accumulation of balances, in the hands of the Paymasters, both in and out of the office, therefore an Act was passed in the 23d year of George the Third, c. 50, consolidating all the separate balances into one account at the Bank. I believe that the Act is known as "Burke's Act." The Commissioners also reported upon the office of the Treasurer of the Navy, and they are there even more specific. You might almost take the words of this Report as the regulation of the Pay Office at the present day. The Commissioners in their Third Report, dated 7th March 1781, report, "That they obtained from the Treasurer of the Navy an account of his balances at the

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the end of each month, from the 1st of January 1779 to the 31st of August 1780, in which period the balances varied from 121,000 *l.* to 370,000 *l.*" In reference to this account they state, "As the public money should pass without delay from the pocket of the subject into the Exchequer, so it ought not to issue out of the Exchequer, either before it is wanted, or in larger sums than the service for which it is issued requires. By this last account, a very large sum has been constantly in his hands during the period therein mentioned, exclusive of the amount of bills assigned upon him, but not presented to him for payment. The principal cause of the magnitude of this balance is the practice in this office of not applying money issued under one head towards satisfying a demand upon any other head of the service; the consequence of which is, when the money upon the account of any head of service is nearly exhausted, a supply must be procured for that service, how abundant soever the sums upon other heads of account, or the sum total of his cash may be. Were all the sums he receives to constitute and be considered as one common general cash, and be applied indiscriminately to every service, a much less sum than the lowest of the balances in the account last mentioned would, in our opinion, suffice to carry on the current services of the navy, even various and extensive as they now are. It would create no confusion in the accounts, for the receipts and payments under each head of service might still be kept distinct; and though the payments might frequently exceed the receipts on some heads of accounts, yet the treasurer would not be without sufficient cash, and the next issue from the Exchequer would restore the balances." This also was adopted, but not till 1832, when an Act for the consolidation of the civil departments of the Navy, was passed, which finally carried out the recommendation of those Commissioners.

1300. Mr. *Wilson.*] The whole of the measures taken by the Treasury of late years, have been with the view of bringing this system to a state of perfection?—Yes, and to carry it out with economy; all men of business would regard this as the proper mode of conducting a cash business.

1301. Is it your opinion that this consolidation fund, and the consolidation of the payments in one office, is a material check against frauds and illegalities of every description?—It is a very important check against fraud. In the first place it places the smallest possible sum at the disposal of the Paymaster; it gets rid of all those complications of account which had generally been a cover for misappropriation as well as perhaps for frauds. I will mention one circumstance that occurred in the navy about two years before that principle was carried out in the consolidation of the naval balances. In the year 1828 or 1829, one of the paymasters in the office of the Treasurer of the Navy had to deal with two accounts of this kind. There was a balance left upon general services, and another left upon wages, and by the confusion that was produced in the accounts for a series of years, he carried on a fraud amounting exactly to the sum of 20,000 *l.*, which was never detected till he went away for his holidays for a month and never came back; when they came to look into his accounts they had great difficulty in finding it out, but the fraud never could have existed with a common balance.

1302. And it cannot possibly exist now?—No; the checks upon issues are also very much better now than they were in former times.

1303. If any irregularity were to occur now, it must be discovered instantly; must it not?—The accounts, however heavy the payments may be, are invariably balanced before the business of each day is closed.

1304. Notwithstanding all the transactions that have taken place in consequence of the war, in what condition are the public accounts now as compared with a time of peace?—The accounts which have been principally revised of late years have been the great accounts of the Naval and Military Departments and the Pay Office accounts; and the latter are in just as efficient a state as they were at the commencement of the war; there has never been a departure from any one of their checks during the whole period of the war. With regard to the naval accounts, a statement was laid upon the Table of the House of Commons early in the Sesssion, showing that they had been balanced, and that the whole of the imprest accounts had been audited within the period allowed for the preparation of an account of ordinary peace expenditure; although the pressure was very great, extraordinary exertions were made, and it was absolutely necessary, owing to the Act which requires an annual account to be laid on the Tale of the

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House of Commons, by a given date, that the whole of the accounts should not only be properly made up, but finally audited before that account was presented, and it was laid on the Table of the House of Commons with the same regularity as in a time of peace; the account of the Ordnance expenditure and the account of the Commissiariat expenditure have also been completed within the same period. The War Department, owing to the enormous difficulties that they have had to encounter, the casualties that have occurred in the regiments, the death of paymasters, the creation of new corps, and the vast number of new allowances, have had far greater difficulties to contend with than any other department; and notwithstanding that, they have asked the Treasury, I believe, for only about a fortnight or three weeks' grace, when they will have the whole of their accounts prepared for the House of Commons and laid on the Table complete for the first year of the war. I do not know any circumstance that appears to me more creditable to these departments than the manner in which they have prepared those accounts.

1305. Mr. *Henley*.] You have read considerable extracts from former Reports which, in your opinion, justify and support the principle of paying the whole revenue into one department?—The first extract which I read applied to that.

1306. So far as I am aware, is it not a disputed point as to its being a right and proper practice?—No, it has been carried out as regards the revenue since 1834, with very great benefit to the public service.

1307. I think that the second extract that you read went to prove also that it was desirable that there should be one department of pay instead of several?—The series of extracts which I read was to show that the department charged with the payments should conduct them from one general cash account, instead of splitting up the cash into various appropriated balances, which was the practice in those days.

1308. You stated, did you not, before you read those extracts, that you did not see what advantage it was that the Exchequer should issue money, though under the respective heads of account?—The Exchequer must issue under the existing Act under the respective votes, but it would be a great simplification of the public accounts if the Exchequer or the Treasury issued from a common fund, and only charged the votes with the sums actually applied.

1309. If I understand you rightly, your view is, that it would be a certain simplification and a better system if, in point of fact, either the paymaster should be merged into the Exchequer, or the Exchequer become the paymaster?—Undoubtedly; they are two offices charged with a similar duty; one having merely to supply the other with the funds, and the other having to appropriate them in detail.

1310. Is it your opinion that it would be better that those two offices, acting in the way that we have heard, should be consolidated into one office?—Yes, I think there should be but one office. As regards consolidation, I consider the Pay Office complete in itself; if you added the Exchequer to it, you would add the Exchequer without duties.

1311. I understood you to say that you think that there is no security or advantage to the public in the mode in which the Exchequer now supplies the Pay Office with money?—I think not.

1312. If you think that there is no advantage, without dwelling upon the word "consolidation," do you think that the Exchequer should be swept away, and the money go in gross into the hands of the Paymaster?—I think that the Exchequer might very safely be swept away, and the money issued as it is now, not under distinct heads, but issued by the Treasury directly, instead of passing through the Exchequer.

1313. If it is issued by the Exchequer direct, into whose hands would it go from the several receipts of revenue, and into whose account would it go previously to the issue by the Treasury to the Paymaster?—It would go to the account at the Bank as it now does; it is called the account of the Exchequer.

1314. You think that the account might as well stand in the name of the Treasury, and be issued by their warrants, instead of the Comptroller's warrants?—That is the effect; it does not stand in the name of the Comptroller; the title of the account is the "Exchequer account."

1315. Upon the authority of the Comptroller's warrants, issues are made to the Paymaster?—Precisely.

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1316. If I understand your late answer, you think that the Exchequer might be altogether safely dispensed with, and that it is no security to the public?—I think not; I think that the Treasury might operate directly upon that account at the Bank instead of going through the Exchequer.

1317. You have stated that the sum of 10,000,000*l.* was dealt with, partly composed of bills, and partly of the sum of upwards of three millions and a half in cash, that was sent out and was dealt with from the office in consequence of the demands of the war. How was the money obtained for that purpose?—When I speak of 10,000,000*l.*, that is the amount of bills in the year; of course the monies that come back again, go to the credit of that account; the difference, according to the Exchequer Minute, is directed to be taken out of the Army Grants.

1318. It was an issue from the Exchequer to the Paymaster upon the account of the Army Grants, was it?—It was principally drawn under the Army Grants. Formerly, before the consolidation of the pay offices, the account of the Army Extraordinaries was one of the army accounts, and there was a vote for the service that went into the common fund; and in the Minute upon which the Exchequer was founded, there is a paragraph which says, that the payment of those bills is to be met, in the first instance, out of the issues of the Army Grants; of course all repayments that come in are carried to the credit of that account, and furnish to that extent the monies required for the same purpose. It is not a sum of 10,000,000*l.* permanently out of the Army Grants, but to the extent to which the account of the Commissariat Chest is overdrawn.

1319. At first the issue from the Exchequer was merely on the army account; then it would be a matter of account how far the whole of it, or part of it, was expended on account of the army, or lessened by repayments on account of the army?—The army account was selected, no doubt, because the bills drawn from abroad are principally on account of that service.

1320. Questions have been put to you of three kinds to illustrate the mode of dealing with what is called the Cash Account. One related to transactions with the East India Company, another to the issue of stores from one department to another, and the third related to a matter connected with foreign Governments, Turkey being the one named. With regard to the East India Company, this case was, I think, put: a sum had been voted in the Army Estimates by Parliament for the recruiting service in India, and that sum was afterwards repaid by the East India Company, but it does not appear upon the estimates for the army services?—No: the Army Estimates and Votes are taken solely for that portion of the expense which ultimately falls upon the public; any money that is expended out of those grants in recruiting for the East India Company, forms a separate account in the books of the department; the charge is made, and it is ultimately repaid by the East India Company. This is the clause which authorises it. The Act of 33 Geo. 3, c. 52, s. 128, enacts, that "all sums issued by the said Paymaster-general of His Majesty's forces, for and on account of His Majesty's forces serving in India, or for raising or supplying recruits for the same, shall be repaid by the said Company; and that the actual expenses only, which, since the said 24th day of December 1792, have been, or which hereafter shall be incurred for the support and maintenance of the said troops, shall be borne and defrayed by the said Company." The meaning of this clause is, that the first class of expenditure should be defrayed, in the first instance, by the Government, and be afterwards repaid by the East India Company; and the second class of expenditure should be paid direct by the Company.

1321. In your former answer to a question that was put to you, did you imply that the sum expended upon the account of the East India Company did or did not appear in the Estimates of Parliament?—The sum expended never appears in the Estimates submitted to Parliament. In one of the sub-papers under the Land Force vote, you will see the estimated charge of the troops borne on the East India establishment, but it is no part of the vote; it is one of the explanatory papers inserted.

1322. It is not a part of the vote?—No; nothing more than this: on the Estimates the total force employed is shown, and under each of the different heads so much as relates the East India Company is deducted.

1323. As to the stores, you have said that the credits to the various departments who have supplied stores to the other departments in the Queen's service, come

come into the cash account?—If they are between two departments, both banking with the Paymaster-general, it would not pass through the cash account at the bank, but be settled as a cash transfer in the books of the Pay Office.

1324. Do the Army and Navy both bank with the Paymaster?—Yes, the Army, Navy, and Ordnance. The Paymaster is the banker for almost all the public departments now.

1325. Then stores supplied by the navy to the army would not form a part of the cash account?—Not part of a cash account at the Bank, but part of the cash transactions between the two departments. The transfers amounted last year, as I stated, to 15,000,000 *l.*, independently of the cash account at the Bank.

1326. The matter of stores was given as the second head of illustration of the cash account at the Bank?—Some stores are paid for through the Bank; any stores supplied to the East India Company, or to the Colonial Governments, or to private individuals, would pass necessarily through the cash account at the Bank.

1327. I think in the course of your evidence the instance put was, stores supplied from the army to the navy?—In reading the explanation of all the different items that constituted the cash transactions between the departments, no doubt I read the two together, as applying both to cash and to cash transfers; although a transfer does not pass through the Bank, still it is a settlement of a cash transaction between the two departments.

1328. Has your office any knowledge of anything beyond the money charged for the stores?—Nothing.

1329. You know nothing as to what it is for, or the amount?—Nothing; that is entirely settled by the department conducting the business, or making the supply.

1330. In what way are you informed of the amount due?—When one department makes a claim upon another, they send what is called in official language a receivable order to the Paymaster, requesting him to receive from the other department the amount of such a claim; the Paymaster keeps that till he receives the proper order from the department which has to make the payment; the two documents agreeing, the transfer is made, and it is passed to their respective accounts.

1331. You debit the one, and credit the other?—Yes.

1332. Does the document, giving you that information in the first instance, specify what it is for, or does it merely specify a certain amount of cash?—The amount of cash, with a short description. They would say in these words from the Navy: "You are requested to receive from the Ordnance the sum of so-and-so, for a supply of stores made to the Ordnance Department at Montreal, or some other place, at such a period."

1333. In the early part of your evidence, you stated that the Paymaster authorises parties in various departments to draw fixed amounts on account of the supplies voted to any department; that the Paymaster's authority was given to the parties who drew the money from the Bank to draw a fixed amount on the account of the supplies for that particular department?—I do not exactly recollect that; I think the Honourable Member refers to the working accounts. I stated that the Paymaster-general, when he comes into office, appoints certain persons to act for him. He gives a deputation to one set of officers to write off from the supply accounts to the working accounts, and he grants a deputation to another set of officers to draw upon those working accounts; but the person who draws upon the Drawing Account, that is, the account from which all checks are payable, is nominated by the Paymaster-general, and is a clerk in the office.

1334. Are those parties the same for every department, or is there a distinct person for each department?—The same person draws for all the services; there is but one pay department, and one man draws for everybody.

1335. The counter check is kept in the same office, is it?—Every cheque is countersigned and examined with the voucher upon which it is drawn before it is given to the parties applying for it.

1336. And the Paymaster, in the first instance, authorises the person who draws to draw a fixed sum for each department?—He does not let him know what balance he is to draw upon, he merely gives him power to draw; his

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authority for drawing the cheque is the presentation of the claim, examined and certified by the examiner in the office whose duty it is to pass it.

1337. Are the Committee to understand you to say that the Paymaster gives to those parties an unlimited power to draw, or does he draw to a fixed amount stated day by day?—It is an unlimited authority to draw. A deputation is addressed to the Bank of England: "You are authorised to pay on the countersignature of Mr. So-and-so, any cheques for public services drawn upon my drawing account by the person hereby appointed to that duty."

1338. That is the authority to the Bank to pay?—Yes; but it is the authority also for the Paymaster to draw, and that is the deputation under which he draws.

1339. Is it in duplicate?—No; the Paymaster himself holds no document beyond the minute of the Paymaster-general, appointing him to be the officer to do that duty.

1340. Then we arrive at this, that there is a separate officer appointed by a minute, and that a deputation is given to the bankers, authorising them to pay the cheques of *A.* or *B.*?—Exactly.

1341. And that is without reference to any fixed amount at any particular time, but the authority is general?—Yes, general and unlimited.

1342. The next point was, that the Paymaster supplies those drawing from day to day with funds to meet that amount?—No; another officer, the Assistant Paymaster-general, who holds a deputation to write off from the supply accounts, furnishes funds upon which those drafts are payable.

1343. That is a separate officer?—Yes; the Paymaster knows nothing of the balance upon which he is to draw; he only knows that he has power to draw to the amount of any vouchers presented to him during the day.

1344. That is Paymaster *A.*?—Yes.

1345. Then Paymaster *B.* keeps a drawing account for the money to meet those unlimited demands which the Paymaster *A.* may make upon him?—Precisely; the Assistant Paymaster-general feeds the account upon which Paymaster *A.* draws.

1346. Then is it Paymaster *A.*, or who is it that demands from the Exchequer the amounts requisite to enable him to keep the drawing accounts supplied from time to time?—The Assistant Paymaster-general, who has the control over the supply accounts.

1347. The Paymaster-general is the party who applies to the Comptroller of the Exchequer for funds out of the Exchequer, and then he delegates to *A.* power to draw upon the respective departments, and to *B.* to watch the account and keep it supplied with money?—Precisely so.

1348. Do you see any mode in which that portion of the business could be either made more simple or more secure to the public?—No, I can see no better security than the system affords; it is simple; no operation is done twice over. It is a matter which I watched many years when I was in that office, and I cannot conceive it possible to institute a better check than exists upon the issue of money in that office. I never knew anything go wrong in the whole period that I was connected with it.

1349. In point of fact, according to the view which you have laid before the Committee, if the Exchequer was done away with the Paymaster would be fed by the Treasury instead of being fed by the Comptroller of the Exchequer?—Yes; the machinery of the Pay Office would not be altered in the slightest degree.

1350. Excepting in the particular of getting money under different authority?—Excepting that the Treasury, instead of giving authority to the Exchequer to give a credit, would give it to the Bank direct; the Paymaster's duties would remain precisely the same.

1351. The same as to paying the money, but he would apply to a different source for it?—No, he would apply to the same authority; he does not apply to the Exchequer; the Treasury does that.

1352. The Paymaster applies to the Treasury?—Yes; the department lets the Paymaster know what is wanted, the Paymaster tells the Treasury, the Treasury tells the Exchequer, the Exchequer tells the Bank, and the Bank finally gives the credit.

1353. Then that fourfold operation might be got rid of; and you think that it is of no advantage to the public that the Exchequer should hold a check over the Treasury?—I have never been able to discover any advantage in it.

1354. Would

1354. Would there be any difficulty in having an account prepared, showing the daily credits upon the four various accounts that we have heard of?—There is no difficulty in preparing any account whatever in the Pay Office; their system will enable them to do it.

1355. Sir *James Graham.*] You stated, did you not, at the time of the passing of the Exchequer Act in 1832, that, in your opinion, the duty of controlling the appropriation of the votes was assigned to the Exchequer; but that the practical working of this part of the financial business of the Government was very imperfectly understood. That opinion stands recorded in your memorandum, and I think you have repeated that opinion in your evidence again to-day?—Yes.

1356. At the time of the passing of that Act three checks were contemplated, if I recollect rightly; a better system of account; a control, such as now exists, on the part of the Exchequer before the issues of expenditure; and a system of audit consequent upon expenditure; do you remember the application of the new system to the navy before the last check was introduced, before the audit was introduced?—Yes; I was at that time employed on those accounts.

1357. And though a better system of account, such as you still recommend as the best, namely, that of double entry, was introduced, and though there was a control in the Exchequer, such as it stands now under the Act of 1832, before expenditure, did not experience prove that the want of a concurrent audit rendered the two first improvements insufficient?—Notwithstanding the Exchequer, it was shown that misappropriations did take place, and that they occurred even without the knowledge of the Exchequer, and therefore the Exchequer could have no control over the application of the money, if large amounts could be set aside and appropriated differently from the intentions of Parliament. It is very difficult for the Exchequer to institute a check upon the appropriation of money; they merely issue the money to be appropriated; they know nothing of it after it has left them.

1358. As the system has been described of a Royal Warrant and a Treasury Warrant, which are the authorities for drawing money from the Exchequer, those two warrants deal with very large sums, and in gross almost, do they not?—They deal, in the majority of cases, with the gross vote.

1359. Those warrants are binding upon the Comptroller of the Exchequer, and he must obey them, must he not?—Yes, he must obey those warrants to the full extent of the Royal Order.

1360. When he has obeyed them all his power of control over the appropriation and the application of the various votes included in those warrants is gone?—Yes. When the vote is passed a Royal Order is obtained for the gross amount, and the Treasury Warrant is sent to the Exchequer with the Royal Order; all the legal forms are then complete. If the Treasury choose to order him to issue on the following day the whole amount of that vote he has no discretion, he must obey.

1361. Have you had any experience of the working of that check, such as it is, on the part of the Comptroller of the Exchequer under the existing Exchequer Act; I see, on the 5th of March 1854, you stated that the delusion of the Exchequer control over the application of the grants should not, in your opinion, be continued; do you still retain your opinion that that limited check, such as it is, is a delusion?—I think it is a delusion, and I think it is objectionable that delusions should be continued; if there is a real check in it, or it can be strengthened and amended, let it be done, but I can see no way in which you can strengthen that check at all; it only introduces one additional operation for every issue, which materially retards and embarrasses the proper course of public business.

1362. If you rendered that, which is ineffectual now, henceforth effectual, you must extend the power of control beyond expenditure to the application of the money when issued, thereby instituting a new audit office?—Precisely; if I could see any way in which any extension of the power of the Comptroller would enable him to perform his functions with advantage, I would suggest it. I have attentively considered the subject, and I can discover no means by which that can be done.

1363. While his power is limited to operations before expenditure you think the power nugatory unless it be extended to inquiry after expenditure?—I think it is entirely illusory.

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1364. If you extend his authority to inquiry after expenditure, that will constitute him an auditor in the last resort, will it not?—It would be giving him the same functions as the Audit Board now has; it would be creating two concurrent authorities doing the same thing, and you would be carrying out your system without any reference to uniformity.

1365. Whereas now you have two cash accounts, the Exchequer cash account, and the Paymaster's cash account, you would have two audits?—Yes, two instead of one; and probably carried out on different principles.

1366. With reference to the effect of the audit when it was introduced in aid of the Comptroller's check, and when the improved system of accounts was introduced into the Admiralty, was it found effectual for its purpose with reference to appropriation?—It was found very useful and very effectual in bringing before Parliament every variation between the expenditure and the vote of Parliament. Prior to the introduction of that system such a thing as correct appropriation was hardly known; you could not have produced an account prior to the introduction of the system in 1832, showing the appropriation of the monies voted. I doubt, if you went back 100 years, whether you would ever find a strict account of the expenditure for the navy with reference to the votes; no such account had ever been prepared; the Estimates were framed in such a manner that it was impossible to separate the expenditure according to the classification adopted in those Estimates; and that would have been an insuperable obstacle to the preparation of a comparative account of the expenditure with the votes. The first step towards control is to establish a sound system of accounts.

1367. If the control, such as it is, before expenditure, of the Comptroller of the Exchequer, were abrogated, he having now the power of preventing any issue from the Paymaster's credit, on account of supply services for which ways and means had not been provided, what check would remain upon the Executive Government, for instance, in dissolving Parliament, when, before payment, the sums voted by Parliament had been exceeded?—The check by the Treasury upon the department, as to exceeding the amount of credit, would be complete, but there would be none upon the Executive Government to prevent a dissolution. As to the appropriation of the revenue, they would be bound by the law; but this is a constitutional question which requires to be provided for.

1368. As the matter now stands, it is both in theory and in practice, an effectual check upon the power of the Executive, is it not?—As to the total amount of the grants it is; the total of the votes cannot be exceeded; and that is a matter that would have to be provided for; and I dare say there are simple means by which that might be accomplished without doing the whole business of issue twice.

1369. You admit that, for that constitutional purpose, it is a check?—Yes. I admitted that before; it is a check upon the issue of the gross amount of the votes, and upon the issue within the limits of the ways and means grants.

1370. Does it fall within your knowledge how the matter stood on the occasion of the dissolution in 1831, when there was a difficulty in dissolving, on account of no funds standing at the Exchequer for the Ordnance service?—I believe some difficulty of that kind occurred, but I have no distinct recollection of the matter.

1371. You still admit that, for that purpose, it is an effectual check?—For that purpose it is a check.

1372. And that if you abolish the Exchequer some substitute for that check on the Executive must be provided?—If it is thought that there is a danger of the Executive exercising its power of appropriating money without the authority of Parliament, that check should be provided.

1373. You have stated that in the Paymaster's Office the best mode of keeping accounts by double entry is in operation, and you have stated that the accounts are balanced, notwithstanding the large sums passing through the office, at the end of each day, and that there have been no large errors, or indeed hardly any errors discovered; has the system of audit been introduced into the Paymaster's department?—The Paymaster sends his accounts monthly with all his vouchers to the Audit Office.

1374. But there has not been introduced into that branch of the public service a daily concurrent audit as it exists now in the Admiralty, the Army, and the

the Ordnance consolidated with the Army?—The Pay Office is not an office in which the appropriation audit could be advantageously introduced, because they have no appropriation account to prepare. Theirs is simply a cash account. I will explain to the Committee the difference between the cash account and the appropriation account, and that will make it more clear. Two accounts are annually presented to Parliament in which the expenditure for naval and military services is shown: one is prepared by the Treasury, the other is prepared by the departments charged with the detailed application of the grants. It is necessary to point out the distinction which exists between these two accounts. The Treasury account is simply a cash account, commencing and terminating with the year. The expenditure side of the account is founded on the credits granted by the Exchequer within the year of the account. These credits do not represent the sum finally appropriated to the service of the year, but merely the amount drawn out to meet the current payments; as it is impossible to appropriate money, at the time of issue, to the year to which it may ultimately become chargeable, this cash account must necessarily differ from the final service account in which the actual appropriation of the sums expended in the year at home and abroad is shown; the account prepared by the departments charged with the detailed application of the sums voted is founded upon vouchers showing the actual detailed payments made in the year in every part of the world where the service is carried on; this is the appropriation account upon which the surplus grants are surrendered and placed at the disposal of Parliament, or upon which the House of Commons makes good the deficiency of the grants if the votes have been exceeded; the first, or Treasury account, being founded on the issues of one public officer, and being confined to cash transactions, can be prepared within a few days after the termination of the year; the second, or departmental account, cannot be prepared till the accounts of the numerous subaccountants employed in carrying on the public payments at home and abroad have been received in office and examined. This latter account is submitted to the investigation of the Audit Board before it is presented to Parliament; it is the sole account upon which the final appropriation of the grants rests. Now it appears to me, that in the preparation of the Exchequer Regulation Act the distinction between those two accounts was lost sight of, and that an attempt was made to apply to the Treasury cash account the rules of appropriation, which can only be carried out after the final expenditure of the money at home and abroad in the departments charged with the detailed application of the votes; therefore there are two accounts, one of which may be submitted to the check of the Audit Board as to the appropriation; the other is simply a check upon cash receipt and issue.

1375. I understood you to say, that you thought that the moral effect of a concurrent daily audit upon the department to which it was applied, had in reference to appropriation all the desired effect of a check instituted before expenditure?—I was referring then to the department where the appropriation is carried on. In the Pay Office, large sums are paid which are appropriated not to the votes, but to the general account. For instance, in the Naval Department, as I mentioned, they drew upon the Paymaster-general last year to the amount of three millions and a half for imprests, and which the Paymaster-general charged under the general naval imprest account, and not to the votes. It forms part of the aggregate sum for the navy, but cannot be distributed over the different parts of the estimate.

1376. You have mentioned a particular transaction between the Naval Department and the Turkish Government, and you stated that that transaction would appear in the navy accounts, and be subject to audit, and that being subject to audit, it would appear in the annual report, I conclude of the auditors, with reference to the naval account; has that taken place already, or not?—In the Admiralty accounts, that transaction would of course be passed in the ledger to the account of the Turkish Government, and the auditors would see that it was so carried, and they would see that that amount was exhausted by payments, or that it was kept on the books, or otherwise disposed of. That transaction would not appear as a separate appropriation in the Pay Office, the money paid by the Turkish Government would fall into the general fund for the naval service.

1377. In the annual report made by the Audit Office to Parliament as to the

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the naval accounts, will that transaction with the Turkish Government be recorded and the attention of Parliament be called to it?—No; it would not appear because it is not a transaction that Parliament requires to know anything about. It is not an appropriation of public money. The Admiralty have merely acted as the agents of the Turkish Government at the request of the Secretary of State for Foreign Affairs to receive money on the one hand and to pay it away on the other. It does not affect the appropriation of any public monies.

1378. Then a transaction of this magnitude, as the matter stands, would escape the knowledge of Parliament altogether?—Entirely. The Audit Board would not call the attention of Parliament to that matter; it would not come within the line of their duties.

1379. What was the magnitude of the transaction?—£. 150,000.

1380. Supposing that money had not been repaid, what would have been the result?—It was lodged beforehand as a deposit at the credit of the Admiralty, and they were entrusted with it.

1381. Supposing it had not taken that turn, and that the Government had thought fit to make the advance, trusting to the honour of the Turkish Government to repay it, what form would it then have taken?—I think that the auditors would, in such a case, have referred to it in their report.

1382. If the advance had been made and not been repaid, the cash account at the Admiralty would have shown the advance, and the deficiency of the balance would mark the absence of repayment; in that case what would be the duty of the auditors to Parliament?—I think that the auditors would have called the attention of Parliament to the state of the account presented, embracing all the monies received and paid on account of the navy, and would have thought it right to point out that a portion of the monies had been advanced by the navy for a foreign government and was still due by that government.

1383. But does it appear to you to be competent to a great department, either of the army or the navy, to have large money transactions either with foreign governments or with parties at home, even supposing the cash to be deposited in the first instance, and there is no loss upon the transaction, without the cognisance of Parliament?—This was quite a special transaction, which arose out of the war. I have no recollection of any transaction of the kind in the whole of my experience before, and I mentioned this, because it was a special case, only to illustrate one of the items in the cash account of the past year.

1384. If, either by repayment or by advance, there be no loss sustained upon the cash balance, those transactions, to any amount, may take place without the cognisance of Parliament?—They must be limited by the means of the department to carry them on. If the monies were deposited first, no doubt they could do so, and Parliament would have no account laid before them to show the transaction. The only account rendered is an account of the receipt and appropriation of the monies granted by Parliament.

1385. I observe that you state in your memorandum that the best control is an effectual audit after payment?—I think that it is the only effectual control.

1386. You then go on to say, let your system be based on confidence in the Government, and let the controlling responsible department of the State have full freedom of action; does not Parliamentary control rather proceed on an opposite principle than great confidence in the Government?—No doubt, Parliamentary jealousy rather, we might say. I think that Parliament would act wisely to strengthen and place a little more confidence in the controlling department of the Government, because control through a Parliamentary officer before payment can only be carried out by placing restrictions and impediments in the way of the transaction of business. Take, for example, the Exchequer control, which forces us to do the business of issue twice over, and forces us to keep the public accounts three times over. All that is not only expensive, but it is very embarrassing in the conduct of a large business like that of the public, where there should be the utmost simplicity, and no operations beyond those which cannot possibly be avoided.

1387. The Treasury is not a department of control only, but a department of expenditure?—All the large expenditure of the Government is conducted by the great departments, the Army and Navy, and they are to a great extent independent

independent of the Treasury in their expenditure. Their estimates are approved by the Treasury, but when once they are voted the detailed employment of those monies is left to them. The Treasury is only, in a very limited degree, a department of expenditure.

1388. Where is the Paymaster of Civil Services located?—His duties are done by the Paymaster-general; that office was abolished in 1848.

1389. Where are the miscellaneous services paid?—They are paid at the Pay Office.

1390. Where are the civil contingencies paid?—The civil contingencies also are paid at the Pay Office.

1391. Is there a daily audit enforced there with regard to the payments of the miscellaneous services and the civil contingencies?—No; we have no appropriation account, and have never had one for the civil services; grants have been voted from year to year, and the balances carried on; it has been a running cash account.

1392. Do you think that a satisfactory state of affairs?—No, I think it is a defect which calls for a remedy.

1393. Can the control, with reference to appropriation, be said to be complete in the absence of such checks, with regard to such large branches as the miscellaneous estimates and civil contingencies?—The control is deficient in regard to the whole of the miscellaneous services.

1394. What is the control as to the Commissariat Chest?—That is a fund upon which neither final receipt nor expenditure takes place. There are monies paid in and paid out; but the balance of that account at the commencement and end of the year, that is, the surplus assets over the liabilities, does not vary.

1395. Is it subject to the Board of Audit?—Yes, the Board of Audit themselves prepare that account; they alone have the means of preparing it.

1396. With regard to the miscellaneous estimates and civil contingencies, the check of an independent Board, such as the Audit Board, has not yet been brought to bear upon them?—We have not got to the first stage; there is no appropriation account of these services.

1397. Much less is there any information given annually to Parliament?—No information could be given beyond this, that there has been paid so much as a cash account, and not as an appropriation account. It is very different from the accounts which are presented by the great departments of naval and military expenditure.

1398. Is there any insuperable difficulty in the way of extending an effectual audit, consequent upon that annual report to Parliament, with regard to appropriation, as applied to the miscellaneous estimates?—There are some difficulties which exist in the application of the same principle as that which is applied to the accounts of the naval and military departments; before the Government can prepare a general account of the miscellaneous services, it is necessary, I think, that the practice of Parliament itself should be altered as regards the mode of voting. The Committee are aware that the principle laid down for all the naval and military services is, that the vote shall be applied to the payments to be made within the year at home and abroad. If we applied that principle to the civil services, I do not know how we should carry on the public service, because votes are taken sometimes as late as the month of July, and we should be under the necessity, I am afraid, as to many of them, of revoting the services several times. Monies are voted in one year which are not paid away till several years afterwards. You vote a specific sum for a specific object, and you obtain the vote before it is wanted. Then it is kept as long as the object is not accomplished, and is issued from time to time.

1399. Was not that very practice of holding over the monies of antecedent votes even for years condemned as most vicious in the Navy and in the Army?—Yes.

1400. And in the Ordnance?—Yes. The Treasury had some difficulty with those departments in altering that practice. The departments were anxious to retain as much money as they could, but the Treasury succeeded at last, and induced Parliament to adopt the principle of payments within the year; the Treasury required that all the balances which remained unapplied on the 31st of March should be restored to Parliament. As to the miscellaneous votes, we have not come to that point yet.

1401. But with regard to that which is under their own more immediate control

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control and superintendence, instead of setting a good example in the Treasury, only remains a relic of the vicious system; is that about the truth?—I believe that is very near it.

1402. I see that you have mentioned in terms of strong praise, though not more than it deserves, the French system of public accounts, which was the example which the Commissioners of Public Accounts in 1831 had more or less in view, and you say "our attempt to imitate those forms has been very unsuccessful." What is the precise point to which that observation refers?—It referred to the system of Exchequer credits. In the French system, the Finance Department manages the whole business of payment just as I say the Treasury might manage it here. They have no Exchequer, therefore they deal directly with the Paymaster, and they have no separate Exchequer credits such as we have, interfering with and embarrassing our cash accounts. Every payment made is carried at once to its proper vote; but there is in the Exchequer Act a worse evil than these Exchequer credits. I beg to refer the Committee to the 24th clause in the Act, which lays down the principle upon which the public accounts shall be prepared; the substance of it is this,—that the public account of expenditure shall be founded upon Exchequer credits, and not upon actual payments. That is a very vicious principle; the Treasury account is to be founded upon assumptions and not upon facts, and the consequence of that is, as was pointed out in Lord Monteagle's evidence, that there was the sum of 1,464,000*l.* issued to the Paymaster on the last day of the quarter to carry him on for the following week in April, the whole of which sum was charged in the public account as a sum finally expended. It is nothing more than shifting the money from the right-hand pocket to the left, and putting it down as so much spent; that money was not an actual payment, it was nothing more than an advance of money made on account of the service of the following year. Therefore I say that to found your account upon Exchequer credits, which is the consequence of your having an Exchequer office, really falsifies the public account, and renders the cash account a very imperfect one. At the beginning of the year 1855-6, it was not necessary to fund the Paymaster-general to the same extent, because Ways and Means bills were issued in the early part of April from which his account was fed, and the consequence was that this year, when we did not adopt the same plan, we gave a large issue to the Paymaster-general prior to the 31st March, and the result of that was, that we had upwards of a million in the account of expenditure last year which did not belong to it; but the law requires that the account shall be made up on that principle, however faulty it may be.

1403. In England we have two authorities created by Act of Parliament, independently of the Executive, for the purpose of checking the public accounts; the Comptroller of the Exchequer and the Board of Audit?—Yes.

1404. In France there is only one check?—Only one.

1405. And that is the Court of Accounts?—The Finance Department has the whole control of the monies before payment, and even makes the payments; but all the public accounts are submitted to the Court of Accounts after payment. They deal with nothing till the payment has actually been made, and until the vouchers can be produced in support of it.

1406. Then your view, if I understand it, would be not to adhere to the partial adoption of the French example, which was imperfect when the Exchequer Act passed, and two independent Boards were created, but you would follow out the French example entirely, and abolish one, namely, the Exchequer, and rely only on the Audit Board after expenditure?—Yes; I consider that control the most perfect which you can have, and it would be better that the system should be uniform throughout, and that you should not have two conflicting authorities.

1407. Mr. *Bowyer.*] Is there not a finance committee in France?—Yes; the Committee of Verification.

1408. Sir *James Graham.*] Simultaneously with such a simplification and consolidation of authority over expenditure, after the expense has been incurred, you think that some additional check should be provided, as against the Executive, with regard to the Miscellaneous Estimates?—Yes; I should extend the system of appropriation audit to all the miscellaneous services; and also, considering the importance of the cash account of the Treasury, I think that the quarterly account prepared by the Treasury should be verified by the Commissioners of Audit, who should not only check the receipts and payments and the

the issues to the different departments, but who should certify that the whole of the financial operations of the Treasury had been conducted according to law. If the Treasury had issued Exchequer Bills of any description, the auditors should certify that the issues were authorised by law. I think that it would be satisfactory to the Treasury that there should be some authority which could give confidence to the public that the Treasury had been faithful to its trust.

1409. The view which you take could not be fully and satisfactorily carried into effect without the intervention of Parliament?—The authority of Parliament for any change must be obtained, because the present system is established under the authority of the Exchequer Act.

1410. But you would suggest to Parliament the abolition of the Exchequer check, such as it is, and the substitution of a better and more perfect check by the extension of the powers of the Board of Audit; providing always, that with respect to auditing the whole account they shall make an annual report early in each Session of Parliament?—Yes, I think that the auditors should perform that duty, and that it should extend to the whole of the public accounts, even to all the services charged upon the Consolidated Fund, as well as to the Miscellaneous Votes, and that it should embrace every account prepared by the Treasury, as well as those prepared by the different subordinate departments.

1411. Subject to that right of an active check after expenditure, you would give the largest power of operating upon the public money in one cash account at the Bank to the Executive Government?—I would; it would be no very great extension of the present power, but it would abolish a number of forms, which, though nominal checks, are rather obstructions than checks.

1412. It would be doing henceforth, with the knowledge and under the control of Parliament, what is now done without the knowledge and control of Parliament?—Yes, it would be so.

1413. Mr. *Chancellor of the Exchequer.*] Some years ago the financial year and the civil year coincided, did they not?—Yes, up to 1831 inclusive, the financial year terminated on the 31st of December.

1414. At that time it was the practice that payments for the army and navy were always made one quarter in advance of the Votes of Parliament?—Yes, always, and frequently much longer than that.

1415. By the necessity of the case, there was always an irregular advance made beyond the votes in supply?—Yes, the votes were always anticipated; the practice had existed for a century up to that year as a matter of necessity.

1416. The financial year was made to begin on the 1st of April, in order that Parliament might have the opportunity of voting the supplies for the navy and army before Easter?—Yes, that was the object.

1417. Since the change was made, has it not been the practice that votes for the army and navy have been taken before the expense for the first quarter of the financial year was incurred?—The object of the change in the financial year was, that no money might be spent in anticipation of the authority of Parliament for the Army, Navy, and Ordnance services, but it has never been thoroughly carried out; I have a statement of all the variations from that period, and I do not think that there is any year from the beginning up to the present time, with the exception of the present year, in which those services have been voted before the 1st of April; in the last two or three years they have been more regular in that respect than in the preceding ones. I will read to the Committee what Lord Althorp stated, in going into a Committee of Supply on the 13th February 1832: "By the course hitherto taken of preparing the Estimates for the year commencing 1st January, a certain amount of the money had been actually expended before the vote was taken; with a view of avoiding this anomaly, he thought it more consistent with the privileges of the House, and with the theory of the Constitution, that the supplies should be voted before the Government had spent any of the money. He admitted that a difficulty would be experienced in doing it at so early a period as April, but he thought the plan would be found practicable. Sir Robert Peel stated that the existence of this anomaly must have frequently occurred to all persons, but he thought the time between the meeting of Parliament and the 1st April would hardly enable the House to give the Estimates that examination which it was always desirable to afford them; that there might be subjects of great interest, subjects, perhaps, of

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greater immediate importance than the Estimates, that would occupy the attention of Parliament, and that if Parliament should not have voted every Estimate before the 1st April, there would be nothing in the arrangement; he had, however, no objection that the experiment should be tried. Sir James Graham agreed with Sir Robert Peel that the success of the experiment depended wholly on the Estimates being voted before the 31st March. He thought there was some force in a suggestion which had been made, that Parliament should revert to the ancient practice of meeting before Christmas, but he did not think that it would be absolutely necessary to resume it in order to effect the object under consideration. Mr. Herries saw no sufficient reason for departing from the practice which had prevailed for 100 years, but as it was an experiment, he would not oppose it." Though the practice has been very much amended, and the Estimates, as a rule, have been voted before the 31st of March, yet there are many exceptions, more particularly when there have been pressing political questions before the House.

1418. At all events, the object with which that change was made was that the Army and Navy Estimates should be presented early in the Session, and be voted early in the Session, and that the Executive Government should have it in their power to make a legal application, from funds voted by Parliament, to those two services at the commencement of the financial year?—That was the whole object of the change, and it was stated to be a general arrangement.

1419. With regard to the Miscellaneous Estimates, has it not been the practice to present them at Easter, and to take the votes late in the Session?—Yes, that has been the practice, and I fancy that Honourable Members would hardly like to abandon that practice.

1420. If that practice be continued, would it be possible to apply to the Miscellaneous Estimates the rule which is now applied to the Navy and Army Estimates?—You might apply the system of account and audit, but not upon the same principles; you would have two systems at work; you would have to charge the expenditure against the votes upon different principles.

1421. If the rule with regard to the appropriation within the year was applied to the Miscellaneous Estimates, would it not also be necessary to vote them before Easter?—Undoubtedly it would be necessary to vote them before the 1st of April.

1422. Unless votes were taken on account, would it not be necessary that the Miscellaneous Estimates should be voted before Easter?—They should all be voted before Easter.

1423. Supposing that the Miscellaneous Estimates could be voted before Easter, would there be any difficulty in applying to that class of estimates the rule which is now applied to the Navy and Army Estimates?—No difficulty whatever.

1424. You think that there is nothing in the nature of the separate votes for the small services in the Miscellaneous Estimates which constitutes any difference between that class of votes and the Army and Navy Estimates?—No, it would be necessary to be very careful not to ask for more money than would be absolutely required for the payments of the year; at present a grant is made by Parliament for some particular service; you vote the whole sum at once, without reference to the period when the payment is to take place. With regard to public works, frequently a large sum is voted for a harbour which is not called for in the year, and you carry it on and issue it the following year; it would be necessary to be very careful, in taking those votes, to confine the vote to the exact sum to be called for before the 31st of March.

1425. In that case you must make a saving of the excess and take a new vote in the following year?—Yes.

1426. If those precautions were observed which Parliament has taken with respect to the Army and Navy Estimates, that the votes should be passed before Easter, could there be any objection to extend the rule to that class of services?—No, I think it would be very desirable.

1427. Then, the possibility of extending the rule would depend upon the possibility of obtaining the votes before Easter?—Precisely; the whole of the detailed votes are so numerous now that they extend far beyond what they ought to do; I think that they ought to be revised; they are split now into about 200 distinct votes; so minute are they that in some cases the salary of one particular officer constitutes a separate vote, and then there is a separate Royal Order and a separate Treasury Warrant for that one vote; I think that the first step

step should be to classify the Estimates better, and reduce the number of votes.

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1428. Sir *James Graham.*] If the Exchequer, which has an ineffectual control, were abolished, and an effectual control, a fresh Parliamentary sanction by enactment were to be provided, all those details must be very carefully considered and adjusted, must they not?—No doubt they would require very careful consideration; there is a great deal of labour involved in the first introduction of new plans of account of this description.

1429. With your knowledge, you would not despair of such an adjustment being feasible?—No; I proposed to Sir Charles Trevelyan to undertake it eight years ago, and certain clauses were introduced into the Draft Pay Office Minute of December 1848 for that purpose; but when it came to be considered by the Chancellor of the Exchequer, he thought that if the plan was extended, it was desirable that it should be extended on one uniform principle, and I think he was right. He said, "We must get Parliament to alter its principle of voting before we commence this change." Eight years have elapsed since then, and I think it is time, perhaps, that the subject was taken up again.

1430. You are satisfied in your own mind that the check which now exists is imperfect, and requires to be amended. Have you a clear opinion as to the mode in which that might be effected?—Yes, and I placed that on record eight years ago. My suggestions were inserted in this paper to show some of the difficulties which had to be surmounted, and also to show what remained to be done to complete a system of control over the whole of the grants of Parliament.

1431. Supposing the Exchequer Office were abolished, how would you provide for the preparation and issue of Exchequer Bills?—I should adopt the recommendation of the Commissioners of Public Accounts in 1831; they distinctly recommended that that duty should be done by the Treasury.

1432. That forms a part of the original recommendation, does it not?—Yes; but it was not carried out in the form in which it was recommended.

1433. It was the view of Sir Henry Parnell that the whole matter of the preparation and issue of Exchequer Bills should not be apart from the Treasury, but be worked directly at the Treasury?—Yes, it was considered by him to be a Treasury duty.

1434. Mr. *Chancellor of the Exchequer.*] Is it not the fact, that the number of miscellaneous votes has been considerably augmented by the Act of 1854; transferring certain charges from the Consolidated Fund to annual votes?—Yes; there was a considerable addition made to the votes in that year. There was a proposal to consolidate many of those votes, but several Members of the House of Commons thought that it went too far, and it was abandoned.

1435. There has been no systematic reconsideration of the Miscellaneous Estimates since the passing of the Act of 1854, has there?—None; and even for many years before, there had been additions from time to time; the votes have grown to 200 now; every year they increase in number.

1436. Mr. *Williams.*] Do not you think that the House of Commons is entitled to the fullest information as to those votes?—Yes; the House of Commons is entitled to have the fullest detail laid before it. I do not mean, by recommending the consolidation of the votes, that you should deprive the House of Commons of any information that is laid before it, but that the number of votes should be less; the principle is not consistent; for instance, with regard to the Naval Department, one vote is taken for the establishments at home, but in the Miscellaneous Services, a separate vote is taken for each establishment; I think that a revision by a Committee of the House of Commons would be the best thing that could take place, so that Government might prepare estimates to meet the wishes of the House.

1437. Is it found when those votes are under discussion that the explanation is more than sufficient; for nearly all the debates that take place arise from the votes not being sufficiently explanatory?—The Miscellaneous Estimates are given in very great detail; and I do not see, unless you gave the name of every officer, that you could really give more than you now do.

1438. Still do you not think, if the explanation were curtailed, it would render the passing of them much more difficult than at present?—I do not suggest that the explanation should be curtailed in the least; on the contrary, I would extend it if necessary; and it has been the practice of the Treasury to

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go on every year adding to the information placed before Parliament. There is no desire to conceal the smallest expense from Parliament.

1439. You have stated that considerable sums of money voted by Parliament for particular objects, have not been expended within the year?—Precisely; within the financial year in which the vote takes place.

1440. Do you see any objection or difficulty in compelling all the departments to whom money is voted beyond their ability to expend, or the orders given to the Paymaster on behalf of those departments, immediately after the completion of the financial year, to render an account to Parliament of the total amount unexpended, with the detailed items, and that that money shall be replaced in the Exchequer, and a new vote taken?—That is the principle applied to the whole of those large naval and military accounts to which the audit of appropriation extends; every 6*d.* that remains unexpended on the 31st of March reverts to the Exchequer, and that has been a very beneficial arrangement, for very large sums which would have otherwise been retained have been restored, and the balances given up; all that is wanting is to extend that principle to the numerous miscellaneous votes.

1441. You see no objection to the adoption of that principle as regards all the votes?—No; on the contrary, I strongly recommend it.

1442. You have expressed an opinion with regard to the inexpediency of continuing the Exchequer; is it your opinion that if all the public money of every description were required to be paid into the Exchequer, it would not afford an important check upon the expenditure of the public money?—I think that the whole of the public treasure should be deposited in the Exchequer, and that it should be paid in in gross, and it is nearly so now. You have only to provide by a vote for the superannuations of the revenue departments, and to transfer either to the consolidated fund or to the votes the few remaining charges for the judicial establishment in Scotland, which are charged upon the excise revenue, and to provide for the redemption of the hereditary pensions, and you have nothing left chargeable on revenue. The gross revenue would go into the Exchequer then as a matter of course, and the payments would be voted out.

1443. Do you conceive that under such a system, all the public money being paid into the Exchequer, the Exchequer would not afford a considerable check upon the expenditure of the public money?—No; and I have given you reasons rather fuller, perhaps, than the Committee may have considered necessary, to show that that supposed check is not a check. The check should be upon the application of the money, and not upon the issue of it.

1444. You have mentioned the sum of three millions and a half, under the term of Imprest Accounts; will you state what the nature of those amounts are?—The Paymaster-general is only one of about 2,000 persons who pay away the naval and military votes; all storekeepers, agents of regiments, paymasters, and all functionaries carrying on the public service either at home or abroad, in the dockyards, and elsewhere, are imprest accountants for the departments under which they act. They receive advances, say, a sum sufficient for a month's expenditure, and that advance is paid by the Paymaster-general, and is deposited in the chest of those different officers; at the time it is issued its appropriation is not known; it is issued in anticipation, and it is charged in the accounts under the general term of "Imprests." And, subsequently, the accounts of the expenditure of those imprests are furnished to the department, and upon those accounts the appropriation of that money is charged against the different votes in the department under which those officers are acting.

1445. Mr. *Cardwell.*] If the miscellaneous votes only received the sanction of Parliament in the month of August, and it be intended for a service which would occupy some time to carry into effect, you would not be able probably to close the transaction by the 31st of March?—No; in that case you should only take the money required, from August to March.

1446. You would then have to vote in the succeeding year another sum, so that there would be two votes of supply, for which, from the nature of the case, it would have been more natural to take one?—Yes; under Class 7 there are numerous services of that description, and that is one of the difficulties which I have pointed out in the paper to which I referred.

1447. So that if, in order to carry your principle into effect, we increase the number of votes, that would strengthen your argument for consolidating the system of votes, and thereby diminishing the number?—It would, certainly.

1448. So

1448. So as to prevent an inconvenient increase of the whole number of votes to be taken in Supply?—Yes; I think that the votes are unnecessarily subdivided. *W. G. Anderson, Esq.* 12 June 1856.

1449. Mr. *Chancellor of the Exchequer.*] In the answer which you gave to the Honourable Member for Lambeth, was it not your meaning that the sums voted should be consolidated; for instance, instead of taking three votes for 20,000*l.* each, you should take one vote for 60,000*l.*, but that the same information, or even fuller information, as to the different items, should be afforded to Parliament?—Precisely.

1450. *Chairman.*] With regard to the re-votes, is not that a matter of constant occurrence in the Navy Service?—Constantly; where the principle of payments within the year obtains.

1451. Whatever inconvenience might exist as to the Ordnance, and the Navy, it exists to a great extent now?—Yes; more especially under the votes for works. Votes are taken for certain works; which it is found afterwards, perhaps, owing to a bad season or other circumstances, or to delays in the purchase of property, cannot be carried on as rapidly as was expected, and it is necessary to cancel a portion of the Votes, and to re-vote them in the following year.

1452. Sir *James Graham.*] What is the greatest number of years in which there has been an accumulating balance of account in the Miscellaneous Estimates; is it six or seven?—I think we have unexpended votes from the year 1841. Within the last two years we have tried to reduce the unissued votes to three years.

1453. Could you furnish an account of the number of votes, with the respective sums unissued upon each?—Yes, very readily.

1454. Could the Treasury furnish, under the respective heads of Miscellaneous Votes, those upon which there are sums voted and unissued, the number of years of each, and the amount of each?—Yes.

1455. *Chairman.*] When you recommend the diminution of the number of votes in Supply, I suppose you say that without reference to the convenience or inconvenience of discussion in the House of Commons?—The House of Commons would have precisely the same information placed before them, and they could discuss the items with just the same facility as they now do.

Lunæ, 16° die Junii, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Sir James Graham.
Mr. G. A. Hamilton.	Mr. Hankey.
Mr. Chancellor of the Exchequer.	Mr. Henley.
Mr. Williams.	Sir Henry Willoughby.
Mr. Wilson.	Mr. Peacocke.
Mr. Bowyer.	Mr. James M'Gregor.
Lord Stanley.	Mr. Cardwell.

THE RIGHT HON. SIR FRANCIS BARING, BART., IN THE CHAIR.

William George Anderson, Esq., called in; and further Examined.

1456. *Chairman.*] CERTAIN parts of the expenditure by the Revenue Departments are now voted by Parliament, are they not?—Yes; all the charges for collection and management are voted. *W. G. Anderson, Esq.* 16 June 1856.

1457. You have stated, have you not, that it would be advisable that the whole, with the exception of the drawbacks, should be voted by Parliament?—I think so.

1458. At the present moment there is no Report of the Audit Board, similar to that which is made on the Navy and Army Expenditure, as to the appropriation of those Votes?—No, there is not.

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1459. Is it not the case that those accounts are audited now by the Audit Board?—Yes.

1460. There would be no more difficulty in their making the same return to Parliament as in the case of the army and other great services?—Not the slightest. I do not see why the Audit Board should not at once undertake the same investigation of that account, as to appropriation, as they do for the Army and Navy; it could be done at once, without an Act of Parliament.

1461. They could make the same return without any difficulty whatever, could they not?—Without the smallest difficulty.

1462. Do not you think that that would be an improvement in checking the public expenditure, as to the appropriation of the Votes?—It would be an additional security to Parliament for the due application of those Votes. The Treasury, in their Minute, which was founded on Mr. Gladstone's Act, directed the department to prepare an annual account, in order that it might be laid before Parliament; but there was no Legislative authority for submitting the appropriation of those Votes to the investigation of the Audit Board, and it was not carried out; but I see no reason whatever against it.

1463. There is no account of that kind, is there, prepared for the Treasury?—Yes, it appears in the Finance Accounts; it is a new account, and was introduced into the Finance Accounts last year, for the first time.

1464. Has that appeared before Parliament?—Yes; but it is not an account certified by the auditors.

1465. You see no objection, but an advantage, in having the same return with regard to those Votes as is given for the Votes of the great services?—Certainly I think it should be done, in order to bring these accounts under the same system of control.

1466. And with regard to the balances in those revenue departments, there is a certain balance, is there not, kept back by the different revenue departments for the current expenditure?—Yes.

1467. How is that balance fixed?—Their instructions are to keep the balances as low as they can, and the Treasury has periodical returns of the balances. The amount must be fixed with reference to the demands for drawbacks, which nobody can foresee but themselves.

1468. Are they allowed to keep a certain balance, or do they apply from time to time for what they require?—They reserve what, in their own judgment, they consider right, because the amount must fluctuate very much. There may be a very large demand for drawbacks that the Treasury cannot know of, and it would be unsafe to fix a limit which might at times be under the proper sum required.

1469. The Committee have had before them the case of 250,000*l.* of public money, which was deducted from the gross revenue, and paid for a special service; could that be done without the orders of the Treasury, or must there have been special orders to keep back certain amounts?—Special orders were given by the Treasury. The departments were directed to make the payments, they were consequently compelled to cease paying in revenue to the Exchequer until they had accumulated a sufficient sum for that payment.

1470. Is there any return to the Exchequer of the gross revenue received, and the balances in the different revenue private chests?—There is no return of that kind made to the Exchequer.

1471. There being no return, of course that payment was entirely unknown to the Comptroller of the Exchequer?—Precisely.

1472. He might be considered the proper officer for that purpose by Parliament, but Parliament was unaware of that expenditure?—The Comptroller-general of the Exchequer could know nothing of that expenditure, any more than he does of payments for drawbacks, or any other charge upon the gross revenue.

1473. If there had been a return of the balances kept back by that particular revenue department, though he would not have known the purpose of the payment, he would, at any rate, have known of the large balance kept back, and the payments made?—He would have been aware of the balance retained.

1474. So far it would of necessity have brought it before Parliament, in case any return of that kind had been called for?—Yes.

1475. Suppose his returns by law had been laid before Parliament, that would

would have shown it at once?—The Treasury return of income and expenditure is the first in which it would appear before Parliament; it was in this quarterly return that the item first appeared. The return from the Comptroller is only an annual return.

1476. That was the case with regard to the last payment, was it not?—I am speaking of the last payment.

1477. There were other payments, were there not?—Yes. In 1853 there was one out of the Excise and another out of the capital of the Land Revenue.

1478. With regard to that payment out of the Excise, did it appear in the quarterly return of that year?—No; it appeared in the Finance Accounts; that was the first return in which it appeared.

1479. When did it come into the hands of Members?—Probably about May, or the early part of June, 1854.

1480. Would it have been printed at that time?—Yes; I am referring to the period before the alteration of the financial year. The financial year was not altered till after the 1st April 1854.

1481. It would not have appeared except in the Finance Accounts?—No; but the Treasury thought, on the last occasion, that it was more correct to give Parliament the earliest information of this payment, and it was introduced into the account showing the income and the expenditure of the year ending on the preceding quarter day.

1482. Those balances are in the hands of separate treasurers, are they not?—They stand to the credit of the different receivers-general at the Bank of England.

1483. Can you state the great inconvenience that arises, and the great expense from the separation, and from having different accounts, and does not that objection exist as much with regard to those revenue accounts as to the other accounts?—I believe the revenue balances are consolidated. You cannot go beyond the limits of the department in the consolidation of balances. It is desirable to consolidate the balances of departments as far as possible, but you cannot consolidate balances which are operated upon by different departments. You cannot consolidate the cash balances of the Customs and Inland Revenue Departments, for instance, but you may consolidate all the Customs balances in one, and the Inland Revenue in one.

1484. What is the practice with regard to the application of the money issued for those votes; is it issued to the Paymaster-general?—No; it is issued direct to the Receiver-general of the different branches of the revenue.

1485. The money being issued direct to the Customs, when it is once in the hands of the Receiver-general of the Customs it cannot be applied to any other department, can it?—No; it is paid back into the Exchequer the same day under its proper head of revenue.

1486. There is no power of applying any of that money either to the Inland Revenue or the Post-office?—No, there is no such power; it is under the control of the Board of Customs.

1487. It is appropriated to a particular service?—Yes, it is appropriated to reimburse to the revenue the advances made for charges of collection.

1488. There is a power now in the Customs, is there not, of applying it from one vote to another, but no power for applying it to any other service?—They have no power of applying it to any service but the service of the Customs.

1489. You are aware of the French system, are you not, with respect to the pay and receipt; and they carry it to a certain extent of division between the pay and the receipt?—I believe the Finance Department in France takes charge both of receipt and of payment.

1490. But they carry to a great extent, do they not, even in the provinces, the distinction between the receiver and the payer, who pays everything?—No, I think those duties are consolidated, but the distinction which they draw is this, that the *ordonnateur*, the person who authorises the payment, cannot be the person who makes it, and they carry that throughout the whole of their system; the pecuniary charge is never vested in the person who has the power to authorise the disbursements; the French carry that throughout their system.

1491. Are you not aware of this, that Dr. Bowring and Sir Henry Parnell objected very much to the same persons in the ports receiving and paying the

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public money?—I am not aware of that; the practice pervades the whole of our system.

1492. Yes; but was not it considered at the time and very much objected to?—The point, I think, which they dwelt upon was the one that I have mentioned; they objected strongly to any person having authority to order the payment of money, who was also a paymaster and held the moneys in his charge.

1493. But is there not such an officer as a receiver in the different financial districts in France, and a payer quite distinct?—No doubt there are numerous officers, because the duties are so heavy that they furnish employment for different classes of persons; I rather think that in the departments the Treasury functionaries are charged both with the receipt and the payment of money, but the distinction between the *ordonnateur* and the *payeur* is carried through their system.

1494. With regard to the Navy payments for their stores, you have explained how that payment is made; how often are those payments from the revenue of the Navy for old stores made to the Exchequer?—Every three months the proceeds of the sales of old stores appear in the accounts of the naval storekeepers, which are only rendered to the Admiralty quarterly; the Admiralty collect the whole of the receipts in their books, and give a quarterly authority for the transfer of the amount to the Exchequer.

1495. It is as often as the accounts are settled at the Admiralty?—It is regulated by the period of the returns.

1496. Is there any information given to the Exchequer of the sum which is paid in; I understand that the Paymaster-general is their banker to pay in to the Exchequer, or to the Bank, on account of the Exchequer, the proceed of the old stores quarterly?—Precisely.

1497. Is there any notice sent to the comptroller of the amount directed to be paid in?—A notice is sent to the Comptroller from the Pay Office.

1498. The Bank announces to the Comptroller the amount that is actually paid in?—Yes; the Bank also sends a notice to the Comptroller stating the amount paid in.

1499. The Comptroller is not at all aware of the sums that he is to receive?—No, except from the advices which he receives from the Bank and the revenue departments.

1500. He is informed of what sum is paid in, but he does not know that that is the right sum?—No.

1501. Would it not be more regular that there should be some announcement on the part of the department paying in of the sum to be received?—There is no deficiency in that respect, but the advice is after payment.

1502. Is there not a perfect power in the Pay-office to detain the sum in their hands?—They could not do that, because they are under the control of the department that directs the payment. For instance: the Admiralty directs the Paymaster-general to pay a certain sum to the Exchequer. The Paymaster-general has to furnish to the Admiralty a weekly list of all his payments, and if the order is not executed, the Admiralty immediately want to know why that payment has not been made; therefore, there is that check upon him, and the audit check comes afterwards. The Paymaster would have no object in delaying to act upon the order of the Admiralty.

1503. But the Paymaster might apply it to any other services, if he had it in his hands?—He can only apply the money under authorities given to him by other departments.

1504. Still it would have the effect of a loan *pro tempore*, if he kept it for another three months, would it not?—He has to draw money from the Exchequer, to enable him to make the payment, and he might not pay it back again.

1505. Then *pro tempore* he might apply it to another service, might he not?—He would be under the check of the department in that matter, and I do not see how he could do it without its being discovered. I do not see what object he would have in doing so; his only duty is, to see that the departments keep within the limits of their credits.

1506. But with regard to the re-payment of old stores, are there any distinct rules as to what are to be repaid, and what are not to be repaid?—That rests with the departments.

1507. Are

1507. Are there not difficulties upon the subject; does the Treasury lay down any rule as to what is to be considered liable to repayment and what is not liable to repayment?—The repayment would be for any sale of old stores whatever; it would embrace also unserviceable stores; there might be a difference of opinion as to supplies made from one department to another.

1508. If I sell two old ships and get the money, that is a repayment, is it not?—There is no question about it, and it would go into the Exchequer.

1509. If the First Lord of the Admiralty exchanged two ships for another, how does that come into the account?—Unless it assumed the form of a cash transaction, it would not appear in the account at all.

1510. If I were to supply a foreign government with a certain number of muskets, and they were to pay me the money, that would be a sale, and it would appear?—The Ordnance Department, I believe, carry all those to the credit of their votes, because they replace the articles furnished; if it was a supply of unserviceable articles, or articles not required to be replaced, the receipts would be paid at once to the Exchequer as surplus monies.

1511. If you were to supply a foreign government with a certain number of muskets, and were paid for them, would not that appear as a payment?—It would appear in the account as a supply to a foreign government, and that repayment would go to the credit of the vote out of which the monies must be taken to replace that supply, and not to the Exchequer, otherwise the department would lose so much of its vote.

1512. The money that arose from that would be applied to the purchase of fresh muskets?—Yes.

1513. As to the sale of old materials; of course that is carried to the Exchequer, is it not?—Yes.

1514. If I had work to perform, and the bargain included the use of old materials, how would that appear?—I believe in all those cases the value of the old materials, if purchased and paid for by the contractor, would go to the Exchequer; every item of that kind passes through the accounts, and the documents are submitted to the Audit Board, and they watch these receipts pretty closely to see that no monies are retained by the department which ought to go to the Exchequer; that is a part of their duty in carrying on the Appropriation Audit.

1515. I do not doubt that the Audit Office does its duty properly, but I wish to ascertain whether there are any rules as to those repayments. If I were required to rebuild a shed, and I agreed with a party to rebuild that shed for a certain sum, he taking the old materials, how would that be done?— In a case of that kind a vote would only be taken for the nett expense; if you worked up the old materials, Parliament would only be asked on the estimate of the department for the nett cost which would be incurred; in that case the old materials would be absorbed.

1516. Mr. *Chancellor of the Exchequer.*] It would be in the nature of a repair rather than of a new construction?—Yes, and that goes on to a great extent in repairing ships. The old material is brought into use, and the charge in the accounts is so much less.

1517. *Chairman.*] Suppose you were to rebuild a public store, and there were old materials, how would that appear?—That would depend upon the conditions of the contract. If the contract were made for a nett sum, the nett sum only would appear as the expense of the building.

1518. I see with regard to the Commissariat account which was under discussion the other night, it is stated, that in the Commissariat Chest Account there is a "Loss arising from the settlement in this country of the East India Company's claims in respect of bills drawn upon India and specie remitted from India, for the service of the chest at Hong Kong; and also upon consignments of dollars sent to that station from this country, 4,008 *l.* 18 *s.* 9 *d.*; deduct nett premium on negotiation of bills, &c., in 1854-55, 1,375 *l.* 7 *s.* 2¾*d.*;" how is that consistent with your general practice?—This is a profit and loss account; there is a gain upon one bill and a loss upon another. You only ask Parliament to grant the nett loss. The premium on bills may vary throughout the year; to-day there may be a small discount paid, and to-morrow a premium; it is on the settlement of the two sides of the account at the end of the year, that you strike a balance and ask Parliament to make good the deficiency.

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1519. Supposing the balance in your favour, that would go into the Exchequer, would it not?—Yes; there is generally a balance on that account, and sometimes a very large one, and it is invariably paid into the Exchequer.

1520. In olden times it was not so, was it?—It then remained in the Commissariat Chest fund.

1521. Have you any other payments which are made from independent parties, who do not use you as their bankers, into the Exchequer?—Very few, I think. There was a payment of that kind very lately; the interest of the Sardinian loan was paid to the Paymaster-general, and by him subsequently into the Exchequer.

1522. It would be more correctly paid at once into the Exchequer, would it not?—It would have been paid direct, but the form in which it was remitted would have made it very inconvenient; it was remitted in 37 different bills at all sorts of dates, payable in different places. The Paymaster-general is the officer of the Treasury who is employed in collecting those monies, and when they are recovered, in paying them into the Exchequer. I do not think that the Exchequer would have taken charge of the bills at all; they will take charge of the money, but the Exchequer has not usually been employed in collecting monies.

1523. Are there any other payments of that class?—Very few; all the parties for whom the Paymaster-general makes payments into the Exchequer are parties who have dealings with him.

1524. The East India Company pay direct to the Exchequer, do they not?—For one service only; most of the sums received from the East India Company belong to the departments, and they are not paid into the Exchequer at all.

1525. They go into the Cash Balance?—Yes; they go into the Cash Balance, to the credit of the Votes; they are generally for supplies.

1526. They are repayments for advances, are they not?—Yes; repayments for advances made by the different departments.

1527. Have there been payments on account of the China war from the East India Company to the Government; and if so, can you give the Committee an account of those?—There is a large unsettled claim between the Government and the East India Company at this time, on account of the China war; there has been a difference of opinion as to the principle on which the charge should be computed. The East India Company charged the Government with the whole expense, but the Government demurred to that charge on the ground that they were only chargeable with the extraordinary expenses. That is a matter which has been debated between the Treasury and the East India Company for a considerable time. I believe it is now approaching a settlement.

1528. Can you give the Committee an account of the payments which have been already made?—The payments made to the East India Company have been the amounts voted by Parliament from time to time since 1841; an account of these could be given.

1529. Have they been specifically voted by Parliament for the East India Company, or have payments been made from other funds?—The East India Company have received no monies but those voted by Parliament specially for the expense of the China war, and some incidental local receipts arising from the sale of prize property, &c.

1530. There would be no difficulty in giving an account of that?—None at all.

1531. With regard to the Department of Works, what is the practice; do they make their payments into the Exchequer?—The Paymaster-general is the banker of the Office of Works, and he makes all payments on their account to the Exchequer on orders from the Chief Commissioner. There is a large sum due from the London Bridge Approaches Fund, which, under the Act of Parliament, must be paid to the Office of Works, or to their bankers; it is paid into the hands of the Paymaster on orders from the Board of Works, and he transfers the payments to the Exchequer from time to time.

1532. But to whom is the loan made?—There is a loan, but there are also the other receipts to which I have referred. The interest of the loan is paid generally direct to the Exchequer; there is only one instance in which that was not done, and that was done at the request of the parties. They had two payments to make, and they received an order to pay them both into the same office; those are monies which the Chamberlain of the City of London collects. I believe they are a portion of the coal duties, which are received in payment

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of the loans made for metropolis improvements. Under the Act of Parliament, the Chamberlain is required to make those payments quarterly to the Board of Works, and he pays them to their account with the Paymaster-general on orders from the Board, and they are transferred periodically to the Exchequer.

1533. Is there any difficulty in paying them direct into the Exchequer?—Yes; the Act of Parliament does not permit it, but directs them to be first paid to the Board of Works.

1534. If the Board of Works direct them to be paid into the Exchequer, what then?—It could be done, but as the Office of Works has to account for these monies, they ought properly to pass through the accounts of that department.

1535. Practically used they not to be paid direct into the Exchequer, and was not the practice altered?—I believe that they have uniformly been paid to the Board of Works, or to the Paymaster-general.

1536. Did not the Board of Works pay direct into the Exchequer?—When they had their own monies at the Bank they paid direct, but now they have no cash account at the Bank; their monies are held by the Paymaster-general, and they pay through him as their banker.

1537. With regard to the Woods and Forests, how do they pay; they are a revenue department?—They have their own account at the Bank; the Paymaster-general only pays their salaries, which are voted.

1538. They pay direct?—Yes, direct from their own bank account to that of the Exchequer.

1539. The Committee have heard something about the capital account of the Woods and Forests?—There are two accounts of the Woods and Forests; the capital account, which belongs to the Crown, is made up of monies derived from the sale of lands, or any receipt affecting the corpus of the estate; and there is a Revenue account which belongs to the public, and the nett balance of which is paid into the Exchequer as revenue derived from that property.

1540. But what becomes of the interest of that capital account?—The interest of any monies invested forms part of the Revenue account, but the capital account, which consists partly of stock and partly of cash, is applied to those purposes which are defined in the Act of Parliament, the purchase of estates, redemption of land tax, and other charges on the Crown property.

1541. The Committee have heard of an advance made by the Turkish Government for certain stores bought for them by the Admiralty; 150,000 *l.* was the amount of the advance, was it not?—The sum deposited by the Turkish Government was, I believe, at first 130,000 *l.*, and I believe they deposited a subsequent sum which brought it to 150,000 *l.*, or 160,000 *l.*

1542. Was the advance in the Paymaster-general's hands?—The money was deposited to the credit of the Admiralty with the Paymaster.

1543. Where did it go to; was it put into your cash balance?—It went into the cash balance to the credit of the naval monies generally; the account was kept solely with the Admiralty, as the disposal of the money rested exclusively with them.

1544. Being in the cash balance, you had directions, had you not, to diminish your cash balances as much as possible?—Yes.

1545. Am I right in supposing that that sum would therefore have gone into your drawing account?—Precisely, as soon as possible.

1546. And would have been then liable to be drawn on for any other service for which it might have been required?—Yes, for any service payable from the drawing account. The practical effect would be, that until that 150,000*l.* was applied, less would be drawn for naval services.

1547. That might probably have been its effect?—Yes.

1548. Might it not have the operation at the time of being a loan of 150,000 *l.* to the navy?—Yes; so long as any portion of that money remained unexpended for the objects for which it was deposited, it would go to increase the balance of the naval monies in the Exchequer; or if the navy chose to get themselves into a difficulty, and spent it, they would have been short of funds to fulfil the objects for which the money was intrusted to them.

1549. It placed the 150,000 *l.* at the disposal of the Admiralty for a time, did it not?—Yes, for a short time.

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1550. So far as the account goes, that was without any knowledge of Parliament?—Yes; that was done at the request of the Secretary of State for Foreign Affairs, and with the knowledge and consent of the Treasury.

1551. Will you state to the Committee how the matter stands with regard to the balances at the disposal of the Paymaster; as soon as the issuing letter gives you the credit, the whole of that credit may be drawn upon by the Paymaster as he finds it necessary for the public service, may it not?—The whole of it may be drawn upon in compliance with the orders he has received from the different departments.

1552. Then is that deducted from the general balance of the Exchequer; those sums which are placed to the credit of the several Exchequer credits?—The Exchequer credits when drawn from the Exchequer are charged in the Exchequer accounts as issues for the public service, and are considered as final issues by the Exchequer, and as so much money withdrawn from the control of the Exchequer.

1553. But practically, they are not actual payments; they are only powers to you to draw to a certain amount?—They are, and that was the reason why I mentioned on the last occasion that I thought it was a defect in principle, but the Exchequer have no discretion in that matter; the Act of Parliament is imperative; they are bound by the 24th clause of the Exchequer Act to consider all such issues as payments, and charge them in the public accounts as such; the Treasury in the balance sheet which they prepare every quarter, are bound to follow the same principle, and it is a very faulty one.

1554. Are you quite sure that there was not some mistake in the wording of that clause?—I think not; it was discussed at the time.

1555. Reading that report, do not you believe that the intention of the Commissioners, and possibly of those who framed the Act, was, that the whole of the monies in the Exchequer should be retained upon the general account until the actual payments were made?—No doubt; but that question refers to the practice of drawing upon the Exchequer account separately instead of writing off into the drawing account; but the clause to which I refer relates to the first grant of the credit. When once the Exchequer grants a credit, that credit must be charged in the accounts as expenditure. I had frequent conversations with Mr. Brooksbank on this point. He said that it was well considered, and he objected to it; but the Commissioners insisted upon credits and not payments. The question that the Honourable Member is referring to is that monies should be left on the account of the Exchequer, and that the parties who have to draw should make their cheques payable on that account, so that any balance of Exchequer credit which remained would appear on the Comptroller's account, instead of appearing in the drawing account of the Paymaster; but that does not touch the provisions of the clause, which lays down the principle upon which the public accounts should be kept.

1556. You have spoken of the disadvantage of having large balances; when you speak of large balances, you allude, do you not, to the disadvantage of taking from the general account of the Exchequer any sums of money?—No; because it would be still a large balance, whether it remained on the drawing account of the Paymaster, or whether it remained at his disposal on the Exchequer credit account. If the monies are under his control, he can draw upon them, no matter what the title of the account may be; it is a balance over which he has power, and that I consider is objectionable.

1557. What is the advantage of having a large general account at the Exchequer?—With regard to the Exchequer account, the larger the balance of course the better; you save the interest on deficiency bills; but the objection to having a large balance on the account of any officer who has the power to draw upon it is, that it is unproductive, and that the public money may be exposed to risk by placing a large sum constantly at the disposal of an officer who can use it.

1558. What is the practice in private affairs; suppose a country bank has an account with a bank in town; I believe it is the practice to give interest upon that account; and supposing that to be so, and that a country banker were to give authority to certain parties to draw to a certain amount from that account, would the bankers in London make a separate account for those parties, or would they leave the general balance untouched until the actual sum were

were drawn out by the parties so authorised to draw upon it?—I think that they would make a separate account for the amount for which the parties had to draw. I think that would appear to be the more regular course. I understand the question to mean this, whether, if there is a large balance, and a credit is given upon it, the amount of that credit would be transferred to a separate account, or whether it would be left on the general account, and represent the sum which the party was authorised to draw upon.

1559. If it remains in the general account until it is actually drawn out, of course, if interest is given, that interest is given upon the general account?—I do not think that the Bank in question would allow interest upon any but money that remained in deposit.

1560. I ask you whether you know what the general practice is?—No, I do not know what the general practice is as to private banks.

1561. Mr. *Hankey.*] The only way in which the question of interest could be affected, would be if the Government owed anything on deficiency bills?—If the Government owed anything on deficiency bills, we should write off from the Exchequer account as much as we could, to pay off those bills, and only leave a working balance.

1562. Do not you suppose that that question would depend upon the special agreement made between the banker and the party depositing the money, as to whether interest shall be allowed on general deposits, or whether only upon such as were considered applicable for immediate payments?—No doubt; I should consider the agreement to be the foundation of the payment.

1563. *Chairman.*] But if an arrangement were made that those Exchequer credits should not be deducted from the general account, that would at once, so far as the deficiency bills are concerned, get rid of the inconvenience of having a great number of Exchequer credits at the Bank?—At present the credits granted to the paymaster never exceed, or rarely exceed, the amount of his daily payments; therefore there would be no difference in the balance. If he drew directly upon the Exchequer credit accounts, there would be a larger general balance left on the accounts. It would be very well if he kept a large constant balance in his hands; that question does not arise when the credits are paid away on the day on which they are granted.

1564. One of the difficulties which you have stated to arise from the separation of the different votes is, that it would of necessity require a much larger issue of Exchequer credits?—Yes.

1565. The inconvenience of the issue of larger Exchequer credits, so far as regards the deficiency bills, arises from the practice of the Bank under the Act, of writing off those Exchequer credits from the General Exchequer Account, and of considering them as issues?—I apprehend that the Bank must adopt that course; the moment that a transfer of that kind is ordered, a credit is granted, and it must be kept solely for the purpose for which it was issued. You cannot consider that money as applicable to payments to be made by the Paymaster-general, and applicable also to the payment of deficiency bills; if it is applicable to one service it is not available for the other.

1566. Am I not right in supposing, whether the Bank do it of necessity or not, that that is the reason why the Exchequer General Account would be diminished?—The available balance in the Exchequer would, of course, be diminished by the amount of those unappropriated credits on the paymaster's account.

1567. If the arrangement were so that those credits should not be considered as issued until they were actually paid, that objection would be removed, would it not?—No, they must be considered as issues; for the Comptroller gives credit to the Paymaster. It is a sum taken away from the available fund at the Exchequer, and it is placed at the disposal of another officer; you cannot hold those monies as belonging to the available fund at the Exchequer, and also appropriated to the payments by the Paymaster-general.

1568. Do you think it is impossible?—I do not see how it could safely be done.

1569. Do you think that it would be quite incorrect that there should be a credit granted to a department to draw for a certain sum of money at the time that sum of money was not withdrawn from the general account?—Although not withdrawn it must be appropriated to the object for which it is granted, and that amounts to precisely the same thing. It takes it away from the available fund at the disposal of the Treasury.

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1570. Do you think again that such an arrangement is an impossible arrangement?—I do not see how it can be done; I think it would be an arrangement exposed to considerable risk; either the money must be at the disposal of the Paymaster, or remain at the disposal of the Treasury and the Exchequer; and I cannot conceive how two parties can separately draw on the same balance with safety.

1571. The Paymaster would have the power of drawing upon these several Exchequer credits?—He would have the power, but suppose that the Exchequer or the Treasury considered those credits granted as available, and made another appropriation of them, and drew to the extent of them, and the Paymaster also drew upon the same balance; that balance could not answer the two objects.

1572. How would the Treasury draw for anything else?—If the credits remained on the general fund they would remain applicable to any purposes to which the Treasury might appropriate them, otherwise I do not see what object would be gained.

1573. How would the Treasury order except through the Paymaster, who would be acquainted with the state of matters?—They might order additional credits, say to the Revenue Departments, or any other parties receiving credits besides the Paymaster.

1574. The Treasury are from day to day aware of the state of all the balances at the Bank, are they not?—They are.

1575. They would do it with their eyes open?—The Treasury having granted the credit, could no longer consider that sum as a fund upon which they could draw; it must be considered as appropriated.

1576. You have stated that is impossible to carry out the appropriation to the respective services when the money is once issued into the Paymaster's hands?—Not without an enormous balance, which you would have to appropriate to each separate service.

1577. Will you explain to the Committee what is the present system; are you in the constant habit when you have once got a sum of money into your hands for the army, or the navy, or any other service, of using that money indiscriminately for any service?—As I explained before, the applications are made from day to day, to meet the expected wants of each service, and when once they are written into the drawing account they are made applicable to any services which are called for on that day.

1578. Sir Charles Trevelyan states in his memorandum: "The Paymaster-general, and the Paymaster of Civil Services, habitually use money belonging to one head of service, in making advances for other services, in the ordinary transaction of the daily business of their respective departments." Is that a correct statement?—Quite correct; it must be so, because money is drawn out on estimate in anticipation of payments.

1579. It is not an accidental circumstance, but it is the daily practice?—It must occur every day throughout the year.

1580. With regard to the Duke of Wellington's funeral, will you explain to the Committee what has become of that sum of money; I see that there was issued from the Exchequer on the 1st of April 1853, 10,000 *l.*, and on the 4th of April 1853, 70,000 *l.*, making therefore in the first five days a sum of 80,000 *l.*, which was not only drawn from the Exchequer, but issued to the Paymaster?—Yes, and placed by him into his drawing account. The money remains as a credit on the Paymaster's books, applicable to any payments on account of the service for which it was voted.

1581. I see that in March 1853 you had 14,000 *l.* paid; that was advanced, was it not, from Civil Contingencies and repaid?—Yes.

1582. In April 9,500 *l.* was paid, on May the 14th, 13,000 *l.*, and a considerable sum was paid during the first year; what was the sum total actually paid in the first year?—I have not that information; but there is a large sum left.

1583. Between 40,000 *l.* and 50,000 *l.* was paid during the first year; will you explain to the Committee on what grounds the Paymaster drew the whole of that 80,000 *l.* out?—That money was issued by the Treasury to the Paymaster without his application, as it was expected that at that time the claims would absorb the whole; but difficulties arose; a portion of them had to be referred to arbitration, and I believe the whole of the claims are not settled even now; there were a number of disputed claims which considerably delayed the payment;

payment; one of those cases submitted to arbitration was only paid, I believe, within the last month; it was a claim of Mr. Cubitt's; but there is no doubt that the credit was issued upon wrong information, and at an earlier period than was required.

1584. There being a sum of about 15,000 *l.* which you know was due, the issue was for 80,000 *l.*?—It was issued by the Treasury, not on the application of the Paymaster.

1585. When was it that the Paymaster drew the money into his hands?—It was issued to the Paymaster on the days on which the credits were granted by the Exchequer.

1586. It was placed at the disposal of the Paymaster as Exchequer credits on the 1st and on the 4th of April; 80,000 *l.* was the Exchequer credit on those days, but it required the Paymaster-general's own action upon the Exchequer credits before that money could come into his account?—The Paymaster would place the money into his drawing account; he is not permitted to keep any idle balances; he must place it in his drawing account and use it; he opens a credit for that service in his books, and takes care that it is not used for any purposes not voted by Parliament, or for any services which have not a credit in the Exchequer to represent those advances.

1587. There was no power in the Paymaster to help himself?—No; he must use that money, in order that the public may not lose the interest of it.

1588. What became of it then; it went first into the Exchequer credit accounts, did it not?—Yes.

1589. From thence it went to the drawing account?—Yes; it was applied to the general services, to any services that came in on the day on which it was written in.

1590. Until it was all advanced?—Yes; and the account of the Duke of Wellington's funeral remained in credit for the unexpended amount of that vote; I should mention that this was quite an exceptional case.

1591. What is your practice with reference to the Miscellaneous Estimates; when are you in the habit of placing them to your credit in the Exchequer?—The moment that they are received.

1592. Are they placed from the Exchequer to your Exchequer credits accounts in one lump sum, or from time to time?—From time to time throughout the month we apply for the various services, and they are written into the drawing account on the days on which they are applied for.

1593. You draw as you find that it is wanted?—Yes; and we take care, as far as possible, that every account is in credit at the close of the month.

1594. Your account does not give the balances of former years, does it?—No; this is the whole of the cash together. The other account, which Sir James Graham has called for, will show that, but there are balances on the account of former years.

1595. Are there any large sums outstanding for former years; you had got in the Pay Office, in the years 1841-42, 2,400 *l.*?—Yes; that was the balance of a vote for public walks; it was issued to the Paymaster by the Treasury, to enable the Treasury to close their Supply and Ways and Means accounts of back years.

1596. There was a large sum in 1851-52, but in 1852-53 there was the sum of 11,400 *l.* in the Paymaster's hands?—Yes; 10,000 *l.* of that sum relates to New Zealand, and it is expected that the colony has claims upon it, and it was issued to the Paymaster to await the settlement of those claims.

1597. It is in the Paymaster's hands waiting the settlement of the claims?—Yes; and when those are finally settled, if there is any surplus of that money it will revert to the Exchequer.

1598. Why have you drawn it out until it is wanted?—It was drawn out to close those numerous years in the finance accounts which stood open; it has been the Treasury practice for many years to place those old balances, which are generally of small amount, in the hands of the Paymaster, to await the final settlement of claims, and at the expiration of a certain period they are repaid into the Exchequer.

1599. The only effect of withdrawing it would be to withdraw it from the finance accounts, where the balance would have appeared, and Parliament would have seen it, into the Paymaster's account, where it would not appear as a balance, and Parliament would not have seen it unless it had been called

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called for?—There is some reason for it, as it enables the Treasury to close their Ways and Means accounts and the Supply accounts, which are very complicated when kept open for a series of years?—It is an old Treasury practice. The Paymaster does not apply for those sums, but they are placed in his hands as deposits, which he holds at the disposal of the Treasury.

1600. In 1853-54, there was 77,653 *l.* which was surrendered?—Those were balances which the Treasury thought there was no further claim upon, and therefore they directed them to be made savings.

1601. Those were in the Exchequer?—Yes.

1602. In 1854-55 I see 56,000 *l.*; is that correct?—Yes; the greater part of that sum was for the Duke of Wellington's funeral; it is money remaining on that vote.

1603. Unless it had accidentally happened to have been mentioned in the House of Commons, it would not have been known that any balance had remained from the vote for the Duke of Wellington's funeral?—No, it would not have been known; but this shows how necessary it is that the principle of making up the public accounts from credits should be altered, because if you made up your accounts from the actual payments, you would have seen that balance every year; we must have shown not only the balance in the Exchequer, but the whole balance wherever it was; that requires alteration.

1604. You have stated that it is the constant habit, and that you consider it quite right, to use the monies in the Pay-office indiscriminately; you were asked by Sir James Graham whether, if the Exchequer control were taken away, the power would not be lost which the House of Commons possesses by refusing supplies in certain cases, and preventing the dissolution of Parliament; suppose that Parliament had voted Supplies for the Army and not for the Navy, and that Parliament is dissolved under the old system, no monies could be issued for the Navy if applications were made to the Comptroller of the Exchequer, not a sixpence could be issued for the naval service?—There being no monies in the Exchequer, there could be no issue, of course.

1605. But under the present system you might have drawn the whole of the Army Vote, and issued it for the Navy services when you liked?—No, I think not.

1606. Why not?—Because, whether monies are placed in the hands of two paymasters or one, there is no greater facility granted for that, because the monies can only be applied by the departments to which they belong. For instance, if the Admiralty drew upon the Paymaster for any naval service, and there were no funds there, the Paymaster-general would at once tell the Admiralty, "I have no assets, and you cannot draw upon the Army Grants; you have no authority to do so."

1607. Supposing you received an order from the Treasury to do it, what would be done then?—Then I put the other case and say, suppose the Treasury ordered a transfer from one department to another, or if the Minister for War placed, by a transfer order, a portion of his monies at the disposal of the Admiralty; it could be done then, but the transaction is very improbable.

1608. That has been the ground of an impeachment, has it not?—So I think the other would be.

1609. But it is done every day?—It is never done for any service that has not a credit in the Exchequer; and if the Navy were to order a payment by the Paymaster in excess of his credit in the Exchequer, it would not be made.

1610. Are you not in the habit of paying monies for services, where there is no credit in the Exchequer for them?—No; I am referring to the balance in the Exchequer.

1611. When there is a balance in the Exchequer, do you mean to say that you never advance monies for services not voted by Parliament?—I am not aware of any case in which money has been advanced for services not voted by Parliament excepting those cases I mentioned the other day, in which some votes for those great services may remain to be taken, and that the payments are made out of other votes which have been taken for the same department.

1612. If a part of the Navy Votes were voted, you would have no difficulty?—If Parliament had voted any monies at all for the Navy, of course they would be applicable to all the naval services, and that is done every year when the whole of the votes are not passed before the 1st April.

1613. You

1613. You think that the Paymaster of the Forces would object to obey a direction from the Treasury to that effect?—Yes; the Treasury has no authority, and cannot touch the Army or Navy monies.

1614. Would the Paymaster of the Forces refuse to obey an order from the Treasury?—It would be disallowed in his accounts if he did.

1615. Would the Paymaster of the Forces refuse to obey an order from the Treasury?—I should think that he would.

1616. Who is he; by what tenure does he hold his office?—The Paymaster-general, of course, is one of the political officers of the Government.

1617. If the Government wanted to dissolve Parliament, probably he is not the man to throw much difficulty in the way?—No.

1618. He is not a Parliamentary officer, but a Government officer?—He is a member of the Government.

1619. He is not like the Comptroller of the Exchequer, or the Auditor; he is an executive officer?—Precisely. I admitted, in answer to a question which was put to me the other day, that the Exchequer provides, in that case, a check upon a dissolution where the supplies have not been granted, but that, I said, was a constitutional question beyond me.

1620. I wanted to ascertain whether the same difficulty does not exist under your present practice, which was suggested to you, supposing you got rid of the Exchequer entirely?—If you get rid of the Exchequer entirely, that is a point that is to be provided for.

1621. If you get rid of the Exchequer entirely it would be extremely easy; as the Exchequer at present exists there is an additional check, but in practice it still might be done?—I do not admit that in practice it could be done without collusion between the different departments.

1622. That is to say, the Government, acting in a body, might do it?—Yes; but those payments would not be made by proper authority. The army grants can only be applied under a Royal warrant, and the navy grants can only be drawn upon according to Act of Parliament.

1623. When would it be brought before Parliament in the shape of audit?—I am not referring to the appropriation audit, but the ordinary audit of the Paymaster-general's account. He sends in his accounts and vouchers to the auditors monthly, and they would see that the payments had been made under proper authorities; and if they found that the Paymaster had been paying out of the Army Votes upon authorities issued by the naval department, it would be shown that he had made a payment upon a wrong authority.

1624. What would the Audit Office do in that case?—They would disallow that payment in the Paymaster-general's account.

1625. If they received an order from the Treasury to admit that payment, what then?—Whether the auditors would do that, I cannot say; they could not I think set aside the Act of Parliament.

1626. Sir *James Graham*.] It appears that on the 31st of March 1856 you had in the Pay-office 370,640 *l.* to the credit of the Paymaster; if there had been no naval vote to carry on the naval service during the period of a dissolution for somewhere about 40 days, and it was represented by the Accountant-general of the Navy that 370,645 *l.* would carry on the service for those 40 days, this being the balance of the miscellaneous services, would it be possible by an order of the Treasury to apply that 370,645 *l.* to naval services?—It would be possible, if the Paymaster got sufficient authority to authorise him to use those monies; but all those monies are already appropriated to other services, and other monies must be provided immediately for those services.

1627. With regard to Miscellaneous Estimates, the practice you have admitted to be imperfect as it now stands, the audit inefficient, and the period of voting inconsistent with the strict appropriation; is it not the practice now, for instance, to pay the July salaries of the civil service when the vote has not been taken?—I do not recollect a case in which the votes have not been taken before the 1st of July, but I recollect cases in which salaries have been stopped for want of a vote at an earlier period.

1628. If salaries have been paid by anticipation, what is there stronger in paying salaries by anticipation out of Miscellaneous Estimates before a vote has been taken, than applying the balance of the Miscellaneous Estimates to meet the exigencies of a dissolution to either the naval or the military service?—If the Treasury directed the transfer of all monies at their disposal to the

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credit of the navy, I do not know whether the Paymaster-general would be authorised to refuse; that is a question which has never arisen, and which I have never considered.

1629. *Chairman.*] I see that Lord Monteagle states in his memorandum, "In this manner payments may be made, first, for services not voted by Parliament, or sanctioned by statute;" he does not state that the thing is done; but is it the fact that it could be done?—It could be done if the Treasury were unfaithful to its trust, there is no doubt.

1630. He says further, "For services for which no Ways and Means have been provided, and which cannot therefore legally be defrayed;" can that be done?—If they were not voted, there would be no Ways and Means.

1631. "For services respecting which no Royal order, Treasury warrant, and issuing letter, have ever issued, or, if issued, have never been sanctioned by the Exchequer as regular and conformable to law;" can that be done?—That is the same question; all those documents hang together.

1632. "For services for which no Exchequer warrant to the Bank of England has issued, directing a credit to the Paymaster for this particular service, or head of service;" that not only can be done, but is done?—As to the Exchequer credits it is done; every payment is made when it is called for.

1633. You have stated, I think, in one of your answers, that you agree with Lord Monteagle, and there is this passage in your remarks, "The Comptroller-general very properly remarks, 'The law and the practice should assuredly be brought into exact conformity; the one should be repealed, or the other reformed;'" are the Committee to understand from you that you think that the practice and the law are in conformity?—The practice and the law are not in strict conformity, and I stated that I agreed with Lord Monteagle that these differences should not exist, but I thought that the law was wrong, and he thought that the practice was wrong.

1634. You have stated that you think the attempt to carry out the law was visionary?—I think so.

1635. Do you think that there has been an effort on the part of the Treasury to carry out the views of the Legislature so far as they could go, or have they, in the course that they have pursued, considered that the Act was impracticable, and followed their own views in the conduct of the business?—I think that the views of the Treasury have been to carry out the Act as far as possible, consistently with the great object of placing the public monies in security, and carrying on the public service with economy; looking at these points of economy and security, I think that the Treasury have adhered as closely as they could to the provisions of the Act; I think that the statement that I have given the Committee of the balances of the Paymaster proves that clearly.

1636. In the memorandum of Lord Monteagle he requests that the opinion of the law officers of the Crown should be taken, whether certain acts which the Pay-office is in the habit of doing under the sanction of the Treasury were consistent with the law; was the opinion of the law officers taken as to whether those acts which were done were consistent with the law or not?—Not that I am aware of; I never heard of any reference being made to the law officers upon the practical question raised in this paper.

1637. If it had been referred to the law officers, and they had given an opinion that the practice was legal, I presume that would have been forwarded to the Comptroller?—Certainly.

1638. You have advocated entire confidence being placed in the Treasury, and getting rid of the control of the Exchequer altogether; in this case the principal officer has asked that the opinion of the law officers should be taken whether the practices were legal, and it appears that the Treasury have never taken the opinion of the law officers; do you think that ought to inspire greater confidence that the Treasury would be extremely anxious without control to follow the strict law?—If the law, as interpreted by Lord Monteagle, is, as I think it is, impracticable in this case, though I think there was a mistake made in the Act of 1834, the only effect of getting an adverse opinion from the law officers would be to bring the question before Parliament for their decision.

1639. So far as I understood you, you yourself thought that the Act of Parliament and the practice were not in strict conformity?—I took Lord Monteagle's interpretation of the Act to mean that; I do not dispute his interpretation;

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it may be the right one, or it may not be; but as the Treasury is bound by the provisions of the Appropriation Act, that is an important Act which they must keep in view.

1640. The Treasury have the Exchequer Act, which is an Act of Parliament?—Yes.

1641. Therefore they are bound by it?—Yes.

1642. Is it not your opinion that the practice is not in strict conformity with that Act?—The practice, as regards the Exchequer, as laid down by the Act, is strictly followed; there is not a word in the Act as to the payments of the Paymaster; but all the forms laid down by the Exchequer Regulation Act are observed, and they are strictly followed, or the Comptroller could not issue the money.

1643. Then why did not the Treasury get the opinion of the law officers that it was legal?—The Treasury were never asked to do it; all the forms are strictly complied with that are laid down in the Exchequer Regulation Act; but what Lord Monteagle states is, that, after the monies have left his charge, and when the Act no longer applies, the principles of the Act are not followed up in the Paymaster's account. Now the Act does not touch the Paymaster in any way; therefore I do not consider that the Treasury are violating the provisions of that Act; and so long as they observe the provisions of the Appropriation Act, they are acting strictly according to the law.

1644. But the Treasury have never asked the law officers whether it was in conformity with the law or not?—No; nor has the question ever been officially brought before them. This paper of Lord Monteagle's was a private paper, incorrect in its facts and inferences, which he circulated amongst various parties.

1645. It was delivered to the Chancellor of the Exchequer, was it not?—Yes, as a private memorandum. It was delivered in at the commencement of the war, when the pressure of the current business was very great, and when any disturbance of a system which had been in practice for several years would have been unsafe.

1646. At the request of the Chancellor of the Exchequer?—Yes; but I believe privately; and unless the Treasury felt that there was a pressing question for the law officers, I do not consider that they would think it necessary to refer to them.

1647. Is it not the constant practice of the public officers to deliver papers privately to the Chancellor of the Exchequer, without making it immediately public papers?—There is no question as to the practice of the Exchequer at all; the Act of Parliament, so far as it affects the Exchequer, is strictly complied with.

1648. But, as put by Lord Monteagle, the question is, whether the practice in the Pay-office is legal or illegal, and he puts it to the Chancellor of the Exchequer to ask that question; but that question, as I understand, has never been asked?—Not that I am aware of; the question was suspended and inquiry deferred owing to the pressure of business occasioned by the war.

1649. There is a memorandum here, delivered in by Sir Charles Trevelyan, and stated by him to be prepared for a Committee of the House of Commons, and Sir Charles Trevelyan there says, in section 23, that the saving of the public money "will be much greater than the mere salaries of the officers of the Exchequer." He states the particular documents which are now necessary, and he gives it to be understood that a considerable saving in these documents would take place if the office was abolished?—I cannot say that I have read all those papers, but I recollect that one.

1650. First it is stated, "A Royal order addressed to the Comptroller-general of the Exchequer, countersigned by the Commissioners of the Treasury;" that may be necessary or unnecessary; but the supplies being granted to Her Majesty, if there was no Comptroller of the Exchequer, there would be some document necessary to be signed by the Queen to grant supplies, would there not?—The Royal order would be necessary.

1651. That would remain?—Yes.

1652. The next is "a Treasury warrant founded on the Royal order, and also addressed to the Comptroller-general of the Exchequer;" I apprehend that the Treasury warrant would not be necessary to the Comptroller of the Exchequer?—No.

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1653. But it would be necessary to the Bank, would it not?—No; there would be no necessity; the Royal order merely names the person who is to have authority over the application of that grant.

1654. You think that the Royal order is sufficient without the Treasury warrant?—Yes; the Treasury warrant merely enables the Comptroller to act.

1655. How could the Bank act without it?—The Bank would act upon a separate issue order; this is not the order upon which any issue takes place.

1656. The warrant is signed by the Lords of the Treasury, is it not?—Yes.

1657. The issuing order is only signed by the Secretary?—Yes, at present it is so.

1658. Whether that be so or not, is it not quite clear that the Commissioners contemplated that it was necessary to have the authority of the Board of Treasury, as separate from the issuing order, which was merely a letter by the Secretary of the Treasury?—The Bank would require from the Lords of the Treasury some power of attorney or deputation, to enable those persons to act upon the accounts who might have authority to draw. There would be an authority, perhaps once for all, and not an authority, as it is here, for each separate vote.

1659. Upon what document would you allow the Bank to issue the money?—The Bank would issue the money upon a document similar to that upon which the Exchequer now issues.

1660. The Exchequer issues upon the Treasury warrant?—That is the general authority; the daily issues are made upon letters signed by the Secretary.

1661. Then you would allow the Bank to issue for all those votes merely upon a direction from the Secretary of the Treasury?—Having previously received authority from the Board to accept that signature.

1662. A general authority?—Yes.

1663. The Treasury warrant is an authority from the Treasury, admitting the Royal order, and passing it on?—Yes.

1664. You would get rid of any authority from the Board of Treasury, leaving it entirely in the hands of one Secretary of the Treasury?—No; with regard to the Bank accounts, I should say that the Treasury would allow no authority to draw but under two signatures. It is not their practice in any case to allow the Bank accounts to be drawn upon without two signatures. There would be an authority from the Board, either a Treasury warrant or a power of attorney; you must have a document authorising the Bank to accept those two signatures.

1665. That, to a certain extent, must still remain?—Yes; you must have the authority.

1666. The next form is a "Monthly estimate of the Paymaster-general;" is that necessary or not necessary?—It is necessary; but that is a very small affair.

1667. There are 12 accounts in the year, are there not?—Yes.

1668. Whether it is large or small, it goes from the Paymaster to the Treasury, and it has nothing to do with the Comptroller?—It is nothing but an estimate to give a knowledge of prospective wants.

1669. Was the Duke of Wellington's funeral included in the monthly estimate?—It is a monthly estimate for a gross sum, so much for the army and so much for the navy.

1670. The next is a "Special application from the Paymaster-general for the particular sums required by him from day to day;" that, if sent in, must go?—It must continue.

1671. Was the Duke of Wellington's funeral included in that?—No; it was issued specially, as I explained before.

1672. The next is "A letter from the Assistant Secretary to the Treasury to the Comptroller-general of the Exchequer, authorising him to grant a credit to the Paymaster-general;" that would be unnecessary so far as regarded the Comptroller-general; the letter must go, but it would go to the Bank?—Yes; you save the operations of the Comptroller's office.

1673. Suppose you got rid of the Comptroller-general; it would not go to the Exchequer, which did not exist, but go to the Bank?—Yes.

1674. The letter would still remain, but go to a different authority?—Yes.

1675. Then, "A letter from the Assistant Secretary to the Treasury to the Paymaster-general,

Paymaster-general, advising him of a credit having been given;" that would go still, would it not?—I suppose the authority would pass through the Paymaster, and that would render this advice unnecessary.

1676. You would not surely leave it in the Paymaster's hands; if you wished to have any check at all, you would not send it through him?—Yes, the write-off should be sent through him; there is no objection to that; he could make no improper use of it.

1677. You think that that might be got rid of?—Yes.

1678. "A letter from the Comptroller-general of the Exchequer to the Bank of England, founded on the letter from the Assistant Secretary, directing the Bank to give a credit to the Paymaster-general;" that would be got rid of?—Yes; that would be unnecessary.

1679. "A certificate from the Comptroller of the Exchequer, advising the Paymaster-general of the actual issue of the credit;" that would be got rid of?—Yes.

1680. "An order from the Treasury, or from some one of the naval or military departments, directing the Paymaster-general to make specific payments out of the sum so received by him from the Bank;" that, of course, must remain?—Yes.

1681. Do you think that, having got rid of them, any very great reduction of public labour would be effected?—The more numerous documents would be saved; the Royal orders, and Treasury warrants, are annual documents; the documents discontinued are daily documents.

1682. "A certificate from the Comptroller-general of the Exchequer, advising the Paymaster-general of the actual issue of the credit;" that would be got rid of; but the Bank would inform him, would they not?—No; the Paymaster would send the Treasury write-off at once to the Bank.

1683. You think that there would be a very considerable reduction of public business?—Yes; but the time saved is of more importance. We are now obliged to give notice of all our wants the day before, and it would be unnecessary to anticipate by a day the period for supplying the Paymaster with funds; it would be done on the morning when the money was wanted, when the Paymaster has a much more complete knowledge of the demands to be made upon him; there would be a great advantage in having a direct communication with the Bank.

1684. How long, if you want additional credit, does it take you to get it?—In order to keep the balances low, it is necessary to be very certain that you will have your credit; before 12 o'clock on each day the demands are sent in for the following day.

1685. Before 12 o'clock you have ample time?—Yes; but a day's notice would not be necessary if the Treasury made the issues directly; they might have the applications sent in on the following morning, and act upon them at once, and they would then act upon a more perfect knowledge of what the demands were likely to be, as ready money claims are not advised till the morning when they become payable.

1686. Why cannot you do that now?—We should not be certain of obtaining the credit in time. Where you depend upon other offices to execute your business, it would be unsafe in so important a matter as the supply of money for making the daily payments to trust to the chance of a person in another department being at his office to grant those credits at the moment they were wanted.

1687. Of course the Secretary of the Treasury is now always there, at a reasonable hour, and if it were necessary there is now always the Comptroller or the Deputy Comptroller of the Exchequer there for the purpose of giving the necessary directions; and if you were to change the hour he would be there, of course?—Still it always takes a longer time to work through two offices than one.

1688. Mr. *Hankey.*] Is it not the case that at the present time, occasionally, considerable inconvenience arises by an unexpected demand late in the day, and a message being obliged to be sent to the Bank to state that is not money on account, unless a fresh write-off is sent down?—Whenever a demand of that kind arises an additional issue is asked for from the Exchequer, but it rarely happens. I do not recollect many cases in which it has occurred, because there is always a margin taken to cover those unexpected demands.

1689. *Chairman.*] Have instances occurred of their having sent to the Exche-

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quer, giving a credit to be sent down in a couple of hours?—Yes, that occurs, but not frequently.

1690. That is done, is it?—Yes.

1691. Before the consolidation of the Paymaster's offices, was not the system, to a certain extent, effective; for instance, you had a Paymaster of the Forces, a Treasurer of the Ordnance, and a Treasurer of the Navy, and at that time the monies which were voted for each department were issued to that department, were they not?—Yes; they were issued in gross, but they never attempted to issue under special votes; they were issues in a gross sum for the army or for the navy.

1692. Take the navy; so far as the votes for the navy were concerned, they were distinct, except for the Commissariat Chest advances, and other small things; they were separated practically, were they not?—The issues for the army, navy, and ordnance were made to separate paymasters.

1693. They were distinct for the general service?—Yes; but I should mention that the Army Extraordinaries at that time, which are now called the Commissariat Chest, were paid out of the Army Grants; and the advances for the navy and for the ordnance abroad were paid out of the Commissariat Chests.

1694. That is not done now?—It is necessary to do it even now, to a certain extent, but it is much diminished.

1695. Let us separate the foreign expenditure from the home expenditure; there were certain parts of that expenditure, were there not, that were at once posted to the right heads of the vote?—Before the offices were consolidated, they never kept in the Pay-offices any account of the votes at all, but merely a general account.

1696. Therefore, in the Pay-office of the Treasurer for the Navy they did not know where the money was spent?—No; only that it was spent for the naval services generally.

1697. A considerable part of the expenditure can be at once posted under the proper vote, can it not?—Yes. I mentioned that last year there were about three millions and a half in the Navy which could not be so apportioned.

1698. Were the three millions and a half imprest, or commissariat advances?—Imprest entirely.

1699. When it once comes into the hands of the navy; now it comes under the supervision of what is called Sir James Graham's order, does it not?—All the naval expenditure, all the receipts, and all the payments for the naval services made through the Paymaster's account are returned to the Admiralty, and then they come under the supervision of the auditors appointed under the Act of 1832.

1700. Will you state whether that is a joint audit, or a local audit, by the Accountant-general, and whether the auditors have an officer to see that the expenditure is posted under its proper vote?—The auditors do not examine the details of the expenditure, only the appropriation of the votes.

1701. What officers are you speaking of now?—The Audit-office Examiners do not go into the details of the expenditure, computations, and so forth; their audit secures that the expenditure is carried to its proper account in the books of the office, and that the usual documents audited in the department are produced in support of every charge so made in the books.

1702. Then so far as the audit goes, it is to a certain extent an audit, but the effective audit is in the Accountant of the Navy?—The effective audit is conducted by the Accountant-general of the Navy.

1703. The audit authority is mainly useful as a check upon the misappropriation of the votes?—Precisely, that is the object of the appropriation audit.

1704. You have been asked with regard to the impossibility of having an officer from the Exchequer, who should exercise something of the same functions in the Paymaster's office as the clerk of the audit exercises as to the naval expenditure; what difficulty do you foresee as to his being there?—That the whole of the payments made by the Paymaster-general are not final payments, and therefore could not be brought at once to the proper votes to which they belong.

1705. If you were to remove this audit clerk from the navy accounts, would it not be entirely in the power of the Admiralty to play with the votes as they liked?—They might prepare erroneous accounts, no doubt.

1706. As

1706. As was done before?—Precisely, unless Parliament had the security of the audit for the faithful accounting of all of those monies, no doubt the same thing that has occurred might occur again.

1707. It is the Paul Pry of Parliament, looking in and seeing that nothing is wrongly done as to the navy accounts?—Exactly.

1708. What is your objection to Parliament having a Paul Pry in the Pay-office?—I do not see of what use he would be, because no final appropriation takes place in the Pay-office; the Paymaster's accounts are rendered to and are duplicates of accounts examined by the auditors in the various departments, and it is there that the final account is made up as regards the votes.

1709. In the first place, there is a doubt, at any rate, whether the practice of the Pay-office has been a legal practice, and whether the Pay-office has been carrying out the intentions of Parliament as contained in the Act; this has only come out in consequence of the appointment of this Committee; but would it not at once have come out, if they had had an officer of the Comptroller of the Exchequer in that department, who must have reported it to the House of Commons?—If you place a comptroller of that kind in any office, there is no question that he can report upon the mode in which the accounts are kept, and the mode in which the public monies are employed, but he could not prepare an appropriation account when a large portion of the money at the time of issue is not appropriated to the votes.

1710. I do not speak of the final appropriation, but of dealing with the monies which are in the hands of the Pay-office; for instance, this 150,000*l.* received from the Turkish Government, that would not come of course before Parliament in any shape through the Audit Board?—No, it would come before the Audit Board in the Paymaster's monthly account.

1711. It would never come before Parliament?—No, because it is not public money.

1712. Supposing that that service had never been called for, it might have remained in the Pay-office for a long time without Parliament knowing anything about it?—Yes, precisely; but the Turkish Government, I apprehend, would look after their own money; when the Admiralty found that they were not called upon to perform the service, they would naturally apply to the Turkish Ambassador to relieve them from the charge of that money.

1713. Mr. *Henley*.] Who would be answerable for it to the Turkish Government, if the money was not properly appropriated?—I think the House of Commons would be responsible, if the Admiralty had spent it for the public service.

1714. Is it not in that sense public money?—It no doubt would become so in such a case.

1715. Sir *James Graham*.] Supposing a dissolution of Parliament takes place, and not the Financial Secretary of the Treasury, but the other Secretary of the Treasury, for Parliamentary purposes during the dissolution, wants 40,000*l.*, what is there to prevent 40,000*l.* out of that Turkish advance of 150,000*l.* being employed for 40 days?—There is always the danger that the Turkish Government might call for it for its own purposes.

1716. I put it as being employed for only 40 days?—The Treasury would have no security that it would not be applied for in that interval; this money would be in the hands of the Paymaster a very short time. The Turkish Government would not deposit this money very long before it was actually required, and I apprehend that there is not much risk in matters of that kind; they very rarely occur; this is quite an exceptional case connected with the war.

1717. *Chairman*.] You have expressed an opinion that inconvenience would arise in the case of a double audit, an audit by the Audit-office, and an audit, as you expressed it, by an officer of the Comptroller of the Exchequer; would that be more inconvenient than the double audit which now exists at the Navy, the Accountant-general of the Navy auditing, and also an officer of the Audit Board?—One person of course could not do it. I should say that a dozen persons would be required to keep pace with the current operations of the Pay-office, the payments are so numerous; but if a control of that kind were thought necessary over the Pay-office, it should be extended on some system of uniformity; the Audit Board would be the proper department to do it.

1718. But you were asked the question, whether it would be more inconvenient

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venient than the control which the Audit-office now exercises?—It would depend upon the manner in which it was done; if it retarded the operations of the Pay-office the public would complain, especially if they had to wait for their money.

1719. So far as principle goes is it not a fact that the Audit-office now interfere comparatively little, but it interferes more as an Audit Board at the Navy than an Exchequer officer would, who merely reported what transactions took place?—But the audit comes after payment. I understood the Right honourable Chairman to mean that the Exchequer should come before payment; in the one case the payment would be delayed, and in the other it would not.

1720. Why should you say that it would be necessary to have the sanction of an officer of the Exchequer; that is not what I contemplated?—I looked upon the whole check of the Exchequer, and the theory of it, as being a check before payment, and I concluded that you meant to carry that out in the Pay-office upon the same principle.

1721. I am supposing that officer should have the power to make himself acquainted with the transactions, and the mode in which you had disposed of the public money?—All those things are practicable; but whether they are useful is quite another question.

1722. At any rate it would be effective?—It would be nothing more than what the Paymaster does now.

1723. But it would be an eye that would be constantly there?—Yes; if it were considered necessary to know what the Paymaster was doing daily, such an officer could report it provided he had a sufficient staff.

1724. How could a Member ask in the House of Commons a question about this arrangement with the Turkish Government, the 150,000*l.* being in the Pay-office, when no human being knew anything about it?—You could not do it; you would know nothing of a transaction of that kind unless there were occasion to call for the interference of Parliament.

1725. If somebody had been there we should have heard of such payments?—Yes, you would.

1726. In point of fact, we should have known whether the Act of Parliament and the practice were not in strict conformity long before this time?—Yes; I have no doubt that that might be shown also.

1727. Would not it be an advantage, looking at it as a constitutional question, that as soon as the practice of the Treasury were found not to be in strict conformity with the intentions of the Legislature, that should be known as early as possible, and either the practice or the Act corrected?—I think that the practice of the Treasury is strictly conformable with the Appropriation Act, which is, after all, the great authority by which the public departments must be governed in the application of the public money, and I do not know that there is anything in the Exchequer Regulation Act which is departed from, so far as regards the issues from the Exchequer; all the rest after the issue becomes really a question of appropriation.

1728. Even if it is not in strict conformity with the Act, it is not in the spirit of the Act; is that so?—According to the first application of the Exchequer Regulation Act every party drew upon the Exchequer credit account, so that if the Paymaster-general were to follow out strictly the provisions of the Act, perhaps he would be required to draw upon 300 separate accounts instead of one.

1729. You have stated in your remarks, "The Comptroller-general very properly remarks, 'The law and the practice should assuredly be brought into exact conformity; the one should be repealed or the other reformed;'" do not you think that this would have been done long ago if Parliament had been aware of this defect?—Parliament has been made aware of it over and over again; the Minutes by which all this has been regulated have been laid before Parliament half a dozen times over.

1730. Will you have the goodness to turn to "Paper showing the alterations made in the Treasury Minute, dated 22d December 1848, in consequence of the preceding letter:" it states, "It is an object of great importance that the public money should not be drawn from the Exchequer, either before it is wanted or in larger sums than the services for which it is issued requires, or in other words, that the balances should be confined to the lowest sum necessary for carrying on the payments for the public service in a punctual and regular manner;

manner; and as this object, so essential both to security and economy, is greatly facilitated by the arrangement and practice above referred to, my Lords desire," &c. That being the case, do you think that Parliament had reason to suppose that the sum of 80,000 *l.* had been drawn out in the case of the vote for the Duke of Wellington's funeral, and was that consistent with the notice given to Parliament?—Those alterations I have read. Here is the Minute as it was first drawn; and as to the alterations made, I confess I see no difference between the two; there are only different words; the same directions are given, which are that the balance shall form one fund at the Bank.

1731. This is the Minute; "It is an object of great importance that the public money should not be drawn from the Exchequer, either before it is wanted or in larger sums than the services for which it is issued requires"?—There is no doubt that at the time the issue was made by the Treasury, they thought that the whole of those claims were coming in at once; the final expenses; and they did not expect that there would be any great delay in the settlement of them, but the disputes that arose afterwards in the settlement with various parties led to delay, and to the issue of a credit larger than was actually required for the immediate disbursements.

1732. Would it not be an advantage to have somebody who could ascertain that those good intentions of the Treasury were not broken through in detail?—They have not been broken through, but whether it is necessary that Parliament should know these trifling details is another question.

1733. "By these arrangements," the Minute says, "the constitutional check exercised by the Comptroller-general of the Exchequer upon the issue of the public money under the provisions of the Act 4 Will. 4, c. 15, will in all respects be maintained; the regulations which their Lordships prescribe for the government of the Paymaster-general's office will afford to this Board a further control and check over the expenditure in detail, which will enable their Lordships to ensure that no payment is made upon the order of any department, under any head of service, beyond the amount of the specific grant of Parliament legally applicable thereto. In this manner my Lords will have the means of satisfactorily exercising that control and authority which is vested in them by the Appropriation Act, whereby, while on the one hand the departments of expenditure are restrained from applying any part of one specific grant in aid of another specific grant, this Board, on the other hand, in relation to navy, army, or ordnance services is authorised, on being satisfied of its being indispensably necessary to convey Her Majesty's sanction to the application of the surplus." Is there anything in that Minute that would lead Parliament to suppose that there had been a practice in the Pay-office not strictly conformable with law?—The practice of the Pay-office I consider to be conformable to the intentions of Parliament; the money is drawn out as closely as it can be, in anticipation of the services being applied for; it is impossible the day before to state exactly what services may be required; but on the following day, when the payments have been made, if the account has been overdrawn, it is immediately rectified by an application for a credit on that head of service. I ought not to infer, perhaps, that it is meant to say that the Pay-office, or any department, habitually draws out money under one head for the express purpose of applying it to another; that is never done; the money is applied for expressly for the payments which it is expected will be applied for; there may be a wrong estimate of the payments to be called for on the day following, but it would not do to refuse payment because a wrong estimate had been made. The payments and issues do tally much nearer than the question appears to suppose.

1734. But your former answer led me to believe that you did not think that the practice was in conformity with the law; in addition to that, there is an answer of yours to Sir James Graham, I think, in which you stated that carrying out the Act of Parliament was visionary?—As regards drawing money upon all the special votes (I take the army, navy, and ordnance as coming really under the provisions of that Act, because there is no exception made in the Act of Parliament), I still consider that it is impracticable. I mentioned a case with regard to Treasury bills; when they are presented for payment, as there is no vote of Parliament for them, if there is no money at the credit of the Commissariat chest, they must be paid out of some vote, and this would be decidedly against the proper construction of the Exchequer Act.

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1735. Mr. *Chancellor of the Exchequer.*] Was it your meaning that the rules as to appropriation cannot be strictly followed in the Pay-office?—Yes; I stated distinctly that the cash account was not the account in which the final appropriation took place, and therefore you could not appropriate all those great payments, imprests, Treasury bills, specie remitted, at once to the particular votes of Parliament; they are transfers of money to the chests abroad; the appropriation takes place there, and we know nothing of that appropriation at the time of issue.

1736. *Chairman.*] I thought you had doubts, at any rate, whether the practice was in strict conformity with the law or not?—I stated that it was not in strict conformity with the law, if Lord Monteagle's interpretation, which I did not dispute, was the correct interpretation.

1737. Then you do not know how a strictly legal answer would be given?—I took Lord Monteagle's interpretation, and said that if that was the right one it would not be in strict conformity with the law.

1738. With regard to the Treasury, they seem to be in the same state of doubt whether it is legal or not legal; and I do not understand that they have taken any opinion of the law officers of the Crown?—I am not aware that any question has been raised by the Treasury upon that point; inquiry was deferred owing to the war.

1739. With regard to the great services, there would be no material difficulty, would there, in carrying out Lord Monteagle's view of the Act of Parliament, so far as regards the whole of the particular service?—If you abandon the whole principle of the Exchequer Act, there is no difficulty in carrying it out as regards those services.

1740. Without abandoning the whole principle of the Exchequer Act, with the present system is there any difficulty in carrying out Lord Monteagle's view of the Act?—It has been done from the first day when the Act was brought into operation; a special appropriation of credits for those great services has never been attempted.

1741. That is clearly the principle of the Exchequer Act?—I think that is clearly the principle of the Exchequer Act.

1742. In practice, you have abandoned that principle entirely, have you not?—The issues for those services have been always made in gross.

1743. You admit, do you not, that so far as regards the great services, you may confine the services within the great services?—With the exception of those large services which must be advanced first out of one service, and adjusted afterwards with another, and those large payments upon Treasury bills and specie purchased for the supply of the chests abroad.

1744. Except the Commissariat Chest Fund, and the advances from the Commissariat Chest Fund for expenses abroad, and the expenses probably from one department to another?—The transfer between the departments which take place after the issue.

1745. With regard to advances from the Commissariat Chest, how do they stand now; how would the imprests at home be regulated?—The imprests exist both at home and abroad, during peace as well as war; large advances are made to all the imprest accountants of those different departments. As I said before, the Paymaster-general is but one paymaster out of about 2,000 employed by the naval and military departments; every one of those 2,000 persons is appropriating money for those different services, and they have money issued to them which at the time of issue is not appropriated to particular votes; it may be appropriated to the general service of a department; for instance, a naval accountant will know that it is for naval services, but for what particular votes you cannot state at the time of issue.

1746. Take the imprest to the naval accountant, that imprest would be a general imprest for naval services, but it would not distinguish under which particular head of the service the expenditure was made; it would be for the naval service?—Yes.

1747. Therefore any expense incurred would be for the general service of the navy?—Yes.

1748. Are there any imprests of that nature in which money is issued to the naval accountant for anything but naval services?—No; all the imprests ultimately become chargeable against the Naval Votes, so far as my recollection carries me.

1749. Will

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1749. Will you explain to the Committee how, if there is a payment on the part of the navy from the Commissariat Chest, that is accounted for now; I see that there are some regulations as to repayments, that they are made much more frequently and upon account?—The chests are supplied by drafts, from all parts of the world, on the Treasury, and those bills are paid by the paymaster out of any monies that he may have in his hands applicable to the Commissariat Chest Fund, so far as they will go; if there is a deficiency it must be taken out of the Army Grants, the army being the largest service for which issues are made. These commissaries render monthly accounts to the Audit Board of all the payments for the different departments, and the Audit Board make their claims upon all the departments for the recovery of the sums advanced on their account; those departments then authorise the Paymaster-general to transfer from their funds to the credit of the Commissariat Chest in his books the amount of those advances.

1750. But have not some arrangements been lately made with the view of getting back the money into the Commissariat Fund Account more rapidly than was the case?—Yes; I think when I was appointed to the Pay-office the Commissariat Chest Account was nearly 2,000,000 *l.* in debt to the army, and I brought the matter under the consideration of the Treasury, and one of the arrangements that was made to expedite the settlement of those claims was, that these departments should make a payment, on account, at the end of every month, so as to keep the Commissariat account as far as possible in funds. Of course it was directed to be made within the amount of the advances, to take care that they were not overpaying their grants; and in time of peace that arrangement would, in a great measure, provide funds to carry on the Commissariat Chest payments in the Pay-office without borrowing from any votes; but whenever any disturbance arises, such as an insurrection in Canada, or a Kaffir war, or a European war, that account is invariably overdrawn, and we have had to resort to the grants for army services in order to provide funds to meet from day to day the drafts made upon us from abroad.

1751. In point of fact, in time of peace are the advances sufficient to meet the repayments chargeable to the different departments within nearly about the amount?—Pretty nearly, and they would be decidedly so if the East India Company paid up their debt; they are always largely in arrear on account of the advances for recruiting for regiments in India, and if we could induce the East India Company to examine the accounts with greater expedition, the Commissariat Chest account might be kept always in credit on the paymaster's books in time of peace.

1752. Do you pay in advance for the month?—No; at the close of the month.

1753. The Commissariat account comes in every month, and at the termination of this month, do you pay in then such an amount as you estimate will be the charge for the past month of June?—Yes; the scale of expenditure of the preceding year is the guide. Suppose, for instance, the advances abroad in the past year for the Navy had been, say 300,000 *l.* the Treasury would say to the Admiralty, You can safely pay over at the close of each month, out of your vote, 20,000 *l.* in aid of the advances made from the chest abroad, leaving the balance to be settled on the final examination of the accounts.

1754. There is always a balance against the Navy, is there not?—Yes, which is settled afterwards on the final examination of the account; a voucher is sent to them from the Audit Board, when the claims have been received from all the distant stations.

1755. If an advance was made for a subsequent month it would resolve itself very much into an imprest account, would it not?—All those advances pass through the imprest account.

1756. And the only question is, which has advanced the most?—Precisely; it is not done in advance; it is always done in arrear at the close of the month.

1757. If we shifted the account it would come to a common imprest account very nearly?—Precisely.

1758. In that case the check, so far as regards the whole service, not as regards the different individual votes of the service, would be as strict as in any other imprest account?—As regards the whole service, if the department paid up in advance to the chest, the sums necessary to meet those bills, that would be merely transferring the debt from the army grant to the grants of the different departments.

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1759. But in that case the navy would have to draw the money from its own vote instead of borrowing it from the vote of the army, would it not?—Yes, precisely.

1760. That would settle the account more constitutionally?—Yes; it could only be done on estimate.

1761. It would be an account to be balanced afterwards, would it not?—Yes.

1762. With regard to an advance from one department to another: will you state how, if the Ordnance performs a service for the Navy, that is arranged?—That would depend upon the nature of the service. If it were a question involving materials and labour, the Ordnance would pay for the labour out of their own votes; they would buy the materials out of their own votes, and they would render a subsequent account of that to the department, and claim a repayment; but at the time that those payments are made by the Ordnance, they charge them to what they call a repayment account, which is opened in the Paymaster-general's books as a distinct account. All the advances that they make for other departments, they place under that account, and all the repayments made are carried to the credit of the same account; they do not charge such advances against any particular vote, but as advances out of their general funds to be subsequently repaid.

1763. That was the difficulty which was started immediately after the passing of the Exchequer Act?—Yes.

1764. The question was, whether there should be an advance made from the Navy to the Ordnance, and settling the account afterwards, or whether the expenditure should take place first, and the account be settled afterwards?—Yes.

1765. With regard to the advances by the collectors which you have mentioned, those are made specifically under the Act of Parliament, are they not?—Yes.

1766. Consequently, whatever is done, is done under the Act of Parliament?—Precisely.

1767. With regard to the cash balances, will you explain that point; do not they cause you a good deal of trouble?—Any sums that are paid in to the cash account belong either to the account of monies payable to the Exchequer, or they belong to some vote or account opened in the Paymaster's books. If the sum is paid in by any one of those departments for a service performed, it would be carried to the credit of the votes from which the advance was made, and the money would be used for those votes in lieu of drawing Exchequer credits.

1768. The East India Company are in the habit, I believe, of paying in large sums; will you give the Committee the sums?—They pay 62,000*l.* in one sum quarterly on account of regiments in India.

1769. Those are sums that you are prepared for?—Yes.

1770. Being sums that you are prepared for, they are principally for the army services, are they not?—Yes.

1771. You would deal with your Exchequer credits accordingly, and prepare yourself for them?—Yes.

1772. If any unexpected sums had been paid, what would happen then?—The money would be paid into the cash account, and used for any services that came in; the Exchequer credits would not be drawn till afterwards.

1773. Supposing a large sum came from the East India Company, which was a large repayment to the army vote, but it was much larger than would be actually wanted for the daily demand of the army for two or three days, in that case the payment would be an inconvenience to you, would it not; you would be obliged to use that money, and place it in your drawing account, and apply it, though it is a repayment to the army, to the general demands upon you?—Yes.

1774. That is a disturbing force, supposing Lord Monteagle's view to be a correct one?—Yes; but that is a matter which would set itself right the next day in the demands upon the Exchequer.

1775. Are the payments so large as to be an inconvenience for a very short time?—No; the payments of the Pay-office are so large that they absorb all the cash very rapidly.

1776. Your cash account is a very small one compared with the daily demands, is it not?—Yes, no doubt of it.

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1777. Mr. *Chancellor of the Exchequer.*] You have been asked some questions with respect to the communications between the Treasury and the Exchequer; in the first instance, what are the offices or departments of the Government with which the Exchequer Office corresponds?—The Exchequer communicates only with the Treasury and with the Bank. I know of no other office with which the Exchequer has any communication.

1778. What may be the number of letters which are addressed in the course of the week on the average by the Treasury to the Exchequer?—I calculate the money letters to be about six a day.

1779. How much time do you suppose the dealing with those six letters would occupy in the Exchequer?—Any competent junior clerk ought to be able to do everything that is required with those six letters, that is, making out the credits, and making a proper record of them, certainly in an hour at the outside.

1780. Then what further business is there that the Exchequer has to transact with the Bank of England?—Nothing that I am aware of but to grant those credits to the Bank, and to receive from the Bank a notification of the sums which are paid in to the credit of the different branches of the revenue.

1781. With the exception of keeping the Exchequer accounts, is that the whole business which the Exchequer has to transact in connexion with the issues of money?—It is the whole, with the exception of the preparation of Exchequer bills, which may occupy them for a week twice in the year.

1782. The business of preparing the Exchequer bills is wholly unconnected with the ordinary business of the Exchequer, is it not?—It occurs only at the two exchanges; there are a few Exchequer bills, of course, prepared every quarter connected with the deficiency of the Consolidated Fund; but those are not very numerous.

1783. What is the business of preparing Exchequer bills, as transacted in the Exchequer?—The Treasury furnish the Exchequer with a warrant for the issue of the total amount of Exchequer bills required for the exchanges. All that the Exchequer have to do with that matter is, I believe, to order the paper, and give directions to the printer; and when they receive them back drawn, they have a stamp by which they put on the date and the Act of Parliament, and they have to sign the bills; beyond that, they have nothing to do with the exchange, but to hand over the Exchequer bills bodily to the Paymaster, who distributes them.

1784. The exchange of Exchequer bills takes place in the Pay-office, does it not?—Yes.

1785. Did not the Commissioners of 1831 recommend that the business of preparing the Exchequer bills should be transacted in the Treasury?—That is one of the recommendations contained in the report.

1786. Is there any natural connexion or affinity between the business of the Exchequer, which consists in controlling the issues of the public money, and the preparation of Exchequer bills?—Nothing, except that the Comptroller may say that he checks the Treasury, and sees that they do not issue more bills than the law authorises them to issue; that is the only point.

1787. Then is that the ground upon which you conceive the preparation and issue of Exchequer bills to be lodged in the Exchequer?—I can discover no other. The recommendation of the Commissioners was distinct, that it was a Treasury duty, and should be done there. I apprehend that they never contemplated that the Treasury would exceed their powers in regard to raising money.

1788. Would there be any convenience in the preparation of Exchequer Bills being conducted by the Bank of England?—There is no doubt that the Bank would do it infinitely better than we could; and probably at much less cost.

1789. If the preparation of Exchequer bills were conducted by the Bank, instead of by the Exchequer, would there not be a check upon the Treasury as to the amount of issues?—It would be precisely the same check that there is in the Comptroller's office.

1790. Is there not a third branch of business in the Exchequer, relating to weights and measures?—Yes, there is a small department there of about two persons, I believe, at the outside three, and the chief is called the superintendent of weights and measures. It is a very small business, which might be done by the Mint.

1791. Does not it seem that that business has more affinity to the business of the Mint than to that of the Exchequer?—Yes, I think so.

1792. What is the entire establishment of the Exchequer; how many persons

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are there in the department; and will you mention their salaries at the same time?—The Comptroller-general has 2,000 *l.* a year.

1793. The salary of the Comptroller-general is fixed on the Consolidated Fund by Act of Parliament?—Yes; it is fixed upon the Consolidated Fund by the Exchequer Act.

1794. His salary and his position are made by law similar to those of the Commissioners of Audit?—Yes; and of the Judges. The Assistant-comptroller has 1,000 *l.* a year.

1795. His salary is not fixed upon the Consolidated Fund?—No, on the Votes; all the other salaries are on the Votes. The chief clerk has 900 *l.*; the accountant has 550 *l.*; and seven clerks receive salaries which vary from 100 *l.* to 550 *l.*; and there are an office-keeper, messengers, watchman, and so forth. The total establishment costs more than 7,000 *l.* a year in salaries alone.

1796. Sir *James Graham.*] Did you state that you thought that all the business, excepting the preparation of the Exchequer bills, and the small duties connected with the weights and measures, might be transacted by one junior clerk?—If I allowed two clerks to do the whole business, I think that that would be a very liberal estimate.

1797. Mr. *Chancellor of the Exchequer.*] In addition to the amount of the annual salaries, there is the building which is appropriated to the office?—Yes; there are all the incidental expenses attendant upon keeping up the office in a separate building, contingencies, and so forth.

1798. Are you aware whether the original form of the Exchequer was not that the Lord High Treasurer, the Chancellor of the Exchequer, and the Under Treasurer of the Exchequer, transacted all the business in the Exchequer office?—Yes; the Treasury and the Exchequer in olden times, I believe, formed one office; and the Lord High Treasurer was the chief officer of it.

1799. The Treasury was separated from the Exchequer, was not it, about the time of Charles the Second?—I believe, after the Restoration the separation took place.

1800. From that time certain subordinate officers of the old Exchequer continued to exercise a control over the accounts of their former chiefs?—Precisely; and even now, up to the present day, the Treasury are bound to found their accounts upon the accounts of the Exchequer, and that is one of the inconveniences which I have pointed out. We are obliged, with every desire to improve our accounts, and carry out a system uniform with that which has been established in the great departments, to found our accounts upon a false principle, because the law requires that we shall adopt the Exchequer account as the basis of our own.

1801. Sir *James Graham.*] Are the Committee to understand that the system of double entry is barred by a system of account corresponding with the Exchequer account?—When I went to the Treasury two years ago, at the commencement of the war, I found certain accounts established which were founded upon the Exchequer accounts; there was no cash-book, journal, or ledger; none of the books which are ordinarily used in the double entry system; I found that I had to be responsible for the management of the public balances without any of those aids which were essential to enable me to carry on the business safely and economically; I knew nothing of the Exchequer balance except once a week, and that in the middle of the following week; I immediately set to work to establish a regular system, such as exists in the great departments; but I was only able to commence it at the beginning of the year 1855–56; I have introduced those books, and they are in very satisfactory operation, and they give me all the information that I want; still even those books I am bound to found upon Exchequer credits; I am obliged to carry out that system upon a false principle, because the Act of Parliament requires that our expenditure shall be founded on credits, and not upon actual payments, so that the books are perfect, but the results are not.

1802. The whole principle of double entry cannot be introduced on account of the necessity of an adherence as a basis of account to the Exchequer form?—Precisely.

1803. *Chairman.*] Are those books the books that were kept by Mr. Brooksbank?—Yes; they are the same books.

1804. They are the old books of the Revenue Department, of which Mr. Brooksbank was the head?—Yes.

1805. He

1805. He was selected, was he not, as an accountant to look into the system of bookkeeping, and to report upon it?—Yes.

1806. In consequence of a recommendation of the Committee of the House of Commons?—Yes.

1807. Mr. *Wilson.*] You have stated that you are compelled to make up your account upon the Exchequer account, which means this, does it not, that the Exchequer treat as a payment every issue to the credit of the Paymaster-general?—Precisely.

1808. Though, in point of fact, no issue can be made, but merely is a credit given, it is treated as a payment?—Yes.

1809. You are obliged to make a false account, are you not, because you treat as payments monies which are still in the Bank as Exchequer credits?—Yes.

1810. Sir *James Graham.*] The basis of double entry is, that nothing shall be recorded but actual facts; in this case it is not a fact, but a presumption?—Yes.

1811. Mr. *Henley.*] In point of fact, it is an actual payment out of the general fund of the Exchequer, is it not?—No, it is merely a credit given; that is, the Comptroller gives authority to the Bank to set aside and place at the disposal of the Paymaster certain credits upon a particular vote.

1812. From the moment that that authority is given, that money is at the disposal of the Paymaster to all intents and purposes, is it not?—It is a balance to his credit.

1813. Then, in point of fact, it is an actual payment out of the Exchequer?—It has not finally left the Exchequer, but it has left the control of the Exchequer.

1814. In point of fact and truth the money is never at the Exchequer, but at the Bank of England?—Yes.

1815. The issue by the Comptroller of the Exchequer of an Exchequer credit, is the placing of a distinct sum of money from the one general account of the Exchequer at the Bank of England under a particular name, which you call Exchequer Credits, out of the control of the Comptroller of the Exchequer into the control of the Paymaster, who deals with it as he thinks fit?—Yes.

1816. Then, in point of fact, that is not an assumption, but a reality, so far as the Exchequer account at the Bank goes?—It is an assumption if it is called a payment; it is called a payment in the public account of the Treasury.

1817. In point of fact, no payment takes place from the Exchequer, but only a transfer?—Yes; out of which payments are subsequently made.

1818. Then, in point of fact, the transfer is a reality, so far as the Exchequer in any sense is concerned?—Yes, undoubtedly, so far as the Exchequer in any sense is concerned; but what I stated was, that the account should not be based upon the transactions of the Exchequer, but upon the payments of the Paymaster, to become really an account of payments.

1819. Your view would be, that nothing should be called a real transaction till the money actually went out of the Bank of England into somebody's possession?—Yes, until it was paid away.

1820. Do you carry that to this length, that supposing A. B. keep an account at the Bank of England, a transfer from the account of A. to the account of B. is not a real transaction, because no money goes out of the Bank of England?—That is a different case. I think I recollect that Lord Monteagle stated in his evidence that his balance was different from the balance shown on the Treasury account of income and expenditure.

1821. Why was it different?—Because his balance included credits granted, but which remained on his account appropriated, but not expended.

1822. But it is gone from the control of the Exchequer?—Still it is the same account; it is the same public account.

1823. *Chairman.*] You know the Act of Parliament called the Exchequer Act, do you not?—Yes.

1824. I will read to you this clause: "Provided always, and be it further enacted, that in cases in which any credit shall be granted to any person by the said Governor and Company in pursuance of this Act, no sum of money shall be transferred from the account of his Majesty's Exchequer until the same shall be actually paid by the Bank to or on account of the person to whom such credit shall be granted." You stated that you considered that under this clause, when a credit was given to you, the payment was actually made by

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the Bank, and that the transfer had taken place, did you not?—In the ordinary way the paymaster applying for the money which he wants daily, the credit would pretty nearly represent the payment; but I was going to put a case which occurs at the close of every quarter. Last quarter there was 1,400,000 *l.* issued at the end of March, to enable the Paymaster-general to make his payments in the first week or ten days of April; the whole of that sum, though no part of it was spent, still remained on the Exchequer Account, and was charged in the account of the expenditure of the last year, ending the 31st of March, as a sum paid.

1825. I was asking you whether the transfer which is made from the general Exchequer account to the credit account is not an actual payment?—It is not a payment.

1826. You were asked several questions before about that, and I understood you to state that you considered it a payment, and consequently that it was no longer in the general Exchequer account?—I stated that under the law it was a payment, and passed into the public accounts as one; it is a sum no longer under the control of the Comptroller of the Exchequer, as he has given the paymaster a credit upon his account to that extent; therefore it is a sum remaining on his account, but at the disposal of the paymaster.

1827. Under the Act of Parliament, that makes it a payment?—Yes.

1828. Mr. *Henley*.] You have stated, have you not, that in your judgment the transfer from the account of the Comptroller of the Exchequer at the Bank of England to the paymaster, is not a real transaction, but only a fiction, because the money is still in the hands of the Government officer?—It is not applied.

1829. You have stated in the former part of your evidence, that there are no less than 2,000 paymasters in the various services of the public?—Yes.

1830. Do you still consider it not a payment, but only a fiction, when the money is transferred from the Paymaster-general to each of those 2,000 paymasters, the money still remaining in the hands of those paymasters, and they being public servants; is that still only a fiction?—No portion of that money is ever charged as expenditure in the account rendered to Parliament—the appropriation account.

1831. I did not asked you that. I ask you your opinion whether what I put to you was still a fiction and not a reality?—Undoubtedly, when the paymaster has paid the money away, it is a payment in his account; it is issued to that officer for disbursements to be made by him; but it is not a final payment.

1832. In what way do you show the one to be a fiction, and the other not to be a fiction; you have stated that the transfer of money from the Comptroller-general to the Paymaster-general is a fiction; I ask you whether, when money is transferred from the Paymaster-general to the 2,000 paymasters of whom you have spoken, they still being public officers, there is a fiction or a reality?—When money is transferred away from the Bank into the hands of those paymasters, it is of course a payment on the paymaster's account, and it is paid away to be applied to the public service; but what I said was, not that that transaction was a fiction, but that the charge of expenditure in the account of the Treasury was a fiction, as the payment had not been made.

1833. Then in point of fact, the convenience of the public service requiring an advance at particular seasons of the year to keep the paymaster in funds, leads to the charge appearing at a period other than that at which it ought to appear?—Certainly, it would appear in the account of one year when it belongs to another.

1834. Still although that is so, would it not be more correct to put it in that shape than to state that that is a fiction, which in point of fact is an actual transfer from one account to another, though it is done at a season when it ought not to be?—Though not an actual transfer, it is a credit upon the account which is equal to that.

1835. Mr. *Wilson*.] Your complaint is this, is it not, that you are bound to make up your accounts of income and expenditure according to the Exchequer accounts, and not according to your own payments?—Precisely. I meant that it would be far more correct to found the public accounts upon the payments of the paymaster than upon the credits of the Exchequer.

1836. So far as the Exchequer account went, it would be perfectly proper to debit this transfer as a payment, if it were not an Exchequer account?—Precisely.

1837. When

1837. When it becomes a public Treasury account of income and expenditure, if you charge as expenditure a sum of money which has only been put at the disposal of the paymaster, and not paid by him, it necessarily conveys a false result?—That is what I meant to convey.

1838. Sir *Henry Willoughby.*] Then that fault arises in the Treasury?—No, it is the fault of the system: the Treasury is bound by the Act of Parliament.

1839. Mr. *Wilson.*] You are compelled by the Act of Parliament to make out your accounts in that way, based upon the Exchequer account?—We are compelled to make up the balance sheet on that principle.

1840. The difference in effect would be that, if 1,400,000 *l.* is issued from the Exchequer on the last day of the last quarter, for the payments of the next fortnight, if you made up your account according to the actual expenditure of that year there would arise a balance to be carried over to the next year?—Yes.

1841. In that case the account of expenditure would be the actual expenditure within the year, and not the mere issues from the Exchequer?—Precisely. That appears to be the true principle upon which the cash account should be prepared.

1842. Mr. *Chancellor of the Exchequer.*] That is to say, the account would show exactly the payments made by the paymaster within the year?—Yes.

1843. There would still be the element of error which would arise from the payments made by the subordinate paymasters?—Precisely; I explained that before. There are two accounts; there is the cash account of the Treasury, showing the whole of their receipts and payments within the year; and there is the final appropriation account, which is prepared in the departments, and is made up from the transactions of the whole 2,000 paymasters.

1844. The issues made by the Paymaster-general to the imprest paymasters are, in fact, in the nature of mere transfers from one public officer to another?—They are.

1845. The money, so long as it remains in the hands of the subordinate paymasters, is still public money in the hands of public officers?—Yes.

1846. Therefore, until the actual final payment is made by the subordinate paymasters, you do not get at the actual payments of the public money to the private individuals?—No; you do not get at the actual sum appropriated to the vote. There is a clause in the Act under which those accounts are examined, which provides that no payment in the nature of an imprest shall be charged as a final payment against those votes.

1847. If the accounts were kept according to your plan, they would show, at all events, the precise amount of the payments made by the Paymaster-general within the year, neither more nor less?—The accounts would show the actual amount of cash that the Treasury had parted with.

1848. Mr. *Henley.*] In point of fact, the necessity for the advance of this 1,400,000 *l.* which has been spoken of, and which confuses the account in the way you have described, arises from the necessity, at the end of the quarter, of the whole balance in the Exchequer being appropriated to the payment of dividends?—That causes the large issues at the close of each quarter.

1849. It is the necessity for those issues which makes that confusion; but that might be met, might it not, by the alteration of that provision of the law which empowered the Exchequer to retain in its hands such a sum as would be necessary for the exigencies of the public service until the incoming of the revenue?—That would undoubtedly lessen the inconvenience.

1850. In that case it would actually make the Exchequer account what you say the Treasury account ought to be?—It would approximate much more nearly to that.

1851. Sir *James Graham.*] Would not that diminish the security of the public credit, by a departure from the existing Loan Acts?—It would be a departure from the Loan Acts.

1852. Mr. *Wilson.*] You have been asked as to the 150,000 *l.* that was advanced by the Turkish Government; that sum was not paid to the Treasury, was it?—No; it was transferred from the Turkish account at the Bank of England to the account of the Paymaster-general.

1853. But on account of the Navy?—Yes.

1854. Practically, it was paid to the paymaster on behalf of the Navy?—Yes, and was placed at the disposal of the Admiralty.

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1855. It could not be disposed of by any department but the Admiralty?—No.

1856. Therefore the paymaster would not have been justified in attending to any instructions which the Treasury might have given him as to that money?—No, certainly not; if the Treasury had attempted to deal with it, he must have immediately communicated with the Admiralty, and I suppose that the First Lord of the Admiralty and the Chancellor of the Exchequer would have settled the matter.

1857. It was to all intents and purposes a part of the naval moneys?—Yes; it would be naval moneys in the hands of the paymaster.

1858. *Chairman.*] When it was gone, and the Navy applied for it, what would happen if the money were transferred to your drawing account, and drawn out for anything that you liked?—The Paymaster-general would never have applied that money for other purposes without telling the Admiralty.

1859. It was paid in to your cash balance?—Yes.

1860. And from the cash account it was carried to your drawing account?—Yes.

1861. And from the drawing account it was drawn out and spent for any service whatever?—Yes, it would be temporarily used for any authorised services; but it was placed in account to the credit of the naval cash, and returned, of course, to the Admiralty as naval cash.

1862. Mr. *Williams.*] Reference has been made to drawbacks, and I wish to ask you whether, in order that the whole revenue may be paid into the Exchequer, there would be any difficulty in the Customs Department, for instance, obtaining the amount required for the payment of drawbacks from the Treasury?—There would be no difficulty in voting the drawbacks; the customs might estimate for them as a part of their charges. The only objection that I see to it is, that it is swelling your revenue beyond its legitimate amount, and also your expenditure.

1863. What may be about the average amount of the drawbacks?—In the Customs the drawbacks amount to about 157,000 *l.* a year; and the repayments on over-entries, sums paid in anticipation and subsequently repaid, amount to something short of 100,000 *l.* In the Inland Revenue the drawbacks amount to about 338,000 *l.*; discounts and Parliamentary allowances to 403,000 *l.*; the allowances, and repayments on overcharges, over-assessments, about 244,000 *l.*; altogether 985,000 *l.* In the Post-office they are somewhere about 54,000 *l.*

1864. Then those different departments which you have named retain those different amounts in their hands; at least they retain an amount of the public revenue to meet those payments?—No; they never retain the money; they pay it out of the growing revenue from day to day; they never retain sixpence for that purpose, unless they know that a very large payment will be required on the following day which the revenue will not meet. In that case they might retain a sum sufficient to meet that payment, otherwise they do not retain any money.

1865. Do they account for those different items in detail?—Yes.

1866. Do they state all the particulars to the Treasury?—Every payment of that kind is recorded at the time it is made, and it passes before the Audit Board.

1867. And the amounts which you have given as the payments of the different revenue departments are pretty much about the same in each year, are they not?—No, they vary very much. This year, in July, there will be 1,000,000 *l.* as a drawback on malt alone, owing to a change in the duty. If there was no change in the taxes they probably would not vary very much from year to year.

1868. Is it not the case, that the drawback upon malt is not to be paid in money, but that it is to be deducted from the coming duty?—It will be an actual payment of money to the holders on their stocks in hand.

Jovis, 19° die Junii, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. James MacGregor.
Sir Henry Willoughby.	Mr. Cardwell.
Mr. Wilson.	Sir James Graham.
Mr. Williams.	Mr. Chancellor of the Exchequer.
Mr. Bowyer.	Mr. Hankey.
Mr. W. G. Hamilton.	

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

William George Anderson, Esq., called in; and further Examined.

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1869. *Chairman.*] I OMITTED to ask you with regard to the Estimates of the Woods and Forests; at present the Woods and Forests do not, like other departments, take an estimate for their expenses, but they pay them out of the gross revenue as they come in, do they not?—They only take an estimate for the salaries, and the contingent expenses of the office in London.

1870. With regard to the other expenses, they are deducted from the gross revenue, and for those there is no estimate?—All the other charges for collection and management are taken out of the gross revenue, and the net revenue only is paid to the Exchequer.

1871. Their expenses are conducted upon a different principle from other departments; they do not come before Parliament until the money is expended; there is no previous vote?—There is no vote for those charges which are defrayed out of the revenue.

1872. In the papers that have been laid before the Committee, there is a memorandum of yours and Sir Charles Trevelyan's, and you state there is no objection, and you apprehend there is no difficulty in doing what with regard to other departments has been done; namely, bringing the expenditure previously before Parliament, and then taking a vote?—I think there is no difficulty, and it would make the system more uniform if we could have the gross revenue on the one side, and the gross expenditure on the other.

1873. Does the opinion which you have now expressed relate to the Woods and Forests?—Yes; and I gave that opinion before a Committee some years ago.

1874. You have seen no reason to change that opinion?—No.

1875. With regard to what is called the capital fund, does that come under the Treasury at all?—Yes, it is subject to the directions of the Treasury; but there is a particular application of the capital fund under the Act of the 10th of Geo. the 4th, by which the land revenues are regulated.

1876. You have stated, in answer to some questions put to you by the Chancellor of the Exchequer, that in your opinion one clerk in a couple of hours would do such work as comes from the Treasury to the Exchequer?—The question put to me was as to the daily issues, how long it would take to pass on the six credits, which on an average of each day the Exchequer sends to the Bank, and my answer was limited of course to that.

1877. Yes; but it was rather understood by Honourable Members who afterwards asked you questions, that you seemed to think that, deducting the issue of Exchequer bills and the custody of the weights and measures, a couple of clerks would easily do the remaining work of the Exchequer?—I think so, judging from the work that passes before me. I think I see the whole of the Exchequer duty at the Treasury; or it has come before me at the Pay office; and if that business is done in a simple and efficient manner, I see nothing that should occupy more than two clerks.

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1878. You have entertained that opinion for some time, have you not?—It is only lately, since I have been at the Treasury, that I have seen the whole working of the Exchequer.

1879. You have been there a couple of years, have you not?—Yes.

1880. Have you expressed that opinion to the officers of the Treasury?—Yes; though it is not any part of my duty to suggest alterations in the departments, I have not failed to express that opinion when it has been asked.

1881. Whose duty is it to check the expenditure of Miscellaneous Estimates?—The Miscellaneous Estimates are divided amongst a number of departments.

1882. What is the practice with regard to the estimates, such as the estimate for the Exchequer expenditure?—The Comptroller of the Exchequer is responsible for preparing that estimate and submitting it to the Treasury.

1883. It has been stated before the Committee upon Civil Service Estimates that it is the practice for the department to prepare the estimate, and it is then checked by the Treasury?—Yes; but then the Treasury would only see that it corresponded with the authorities which existed for that expenditure.

1884. Has the practice so far changed, that the Treasury exercise no discretion when they submit the Civil Service Estimates to Parliament?—When an estimate is submitted to the Treasury, and it embraces the establishment of an office, the Treasury satisfies itself that that establishment corresponds with the establishment which has been authorised.

1885. I mean this: is not the Treasury responsible if they submit for a vote in Parliament a sum which is not required for any particular office which is contained in the Civil Service Estimates?—You cannot ascertain whether the sum for an establishment is too much, or whether the establishment is too large, without an investigation into the duties of the office itself; that would necessitate a revision of the whole duties of the department. As long as the establishment exists the money must be provided to pay it.

1886. Take, for example, the Civil Service Estimates: do not the Treasury, in the first instance, consider them, and are they not considered, either by the Chancellor of the Exchequer or the business Secretary of the Treasury, or by both; and if there appears reason to suppose that the amount is too great, is it not the habit strictly to check the amount, and call for an explanation, if necessary?—There has been an inquiry into the Exchequer contemplated for some time; ever since Lord Monteagle prepared his memorandum, it has been intended; when it was first laid before the Chancellor of the Exchequer, he said it must be investigated, but the commencement of a great war is not the time when we should disturb existing regulations, but when the Treasury has leisure, and the war is at an end, and matters are settled down a little, the whole of these matters must be fully investigated.

1887. It is not with regard to Lord Monteagle's memorandum, or the subject of an inquiry of this Committee, but whether Lord Monteagle has a considerable establishment to perform the duties of Comptroller of the Exchequer, which you seem to be under the impression, and I suppose the Chancellor of the Exchequer also, might be done by one clerk in two hours?—There is no doubt that the establishment is far greater than is necessary for the performance of the duties. That you may spin out the work by a particular mode of transacting business, that you may increase it so as to employ a larger number of persons, no one doubts; but let that business be properly done, and it ought not to employ more than the establishment which I have stated.

1888. Is it or is it not the duty of the Treasury, before they submit an estimate for the service of the Exchequer, to satisfy themselves that that is not an extravagant estimate?—It would be undoubtedly the duty of the Treasury to do that with regard to every establishment.

1889. But it would be the duty of the Treasury, would it not?—Yes.

1890. Are you aware that in 1848 it so happened that Parliament, having decided not to grant the income-tax, the estimates were withdrawn by the Government and reconsidered by the Government?—Yes, in 1848 there was a Committee appointed to investigate the various estimates.

1891. But the estimates were withdrawn by the Government and reconsidered by the Government, and new and reduced estimates were afterwards submitted to Parliament?—That was the case in 1848.

1892. And the Civil Service Estimates were reconsidered by the Treasury,

were

were they not?—I presume they were. I was not in the Treasury then, and therefore I cannot say what happened before I was appointed.

1893. There was subsequently a Committee to examine the Civil Service Estimates, was there not?—Yes.

1894. Have you referred to the report of that Committee?—I have read it; not lately; but at the time I read it.

1895. They gave their opinion upon the Exchequer establishment, did they not?—I do not recollect the opinion given upon the Exchequer establishment.

1896. You have been asked as to the form, and you mentioned that there was some difficulty with regard to the way in which the Exchequer make out their accounts; will you have the goodness to read the heading of that account?—"An account of the net public income of the United Kingdom of Great Britain and Ireland, in the year ended the 31st day of March 1856 (after abating the expenditure thereout defrayed by the several revenue departments), and of the actual issues or payments within the same period, exclusive of the sums applied to the redemption of funded or paying off unfunded debt, and of the advances and repayments for local works."

1897. Having reference to those words, "after abating the expenditure thereout defrayed by the several revenue departments," will you have the goodness to refer to that department out of which the 213,000*l.* was paid; which was it?—The Excise and Post Office.

1898. Out of that, have you deducted the expenditure of the pensions that were bought?—No; we have only deducted the expenses of collection and management of the revenue.

1899. Is that the practice of the department, and has it been so done on former occasions?—No; on former occasions it was the practice to suppress those items altogether in this account.

1900. It was always the practice to deduct all the payments made out of the revenue departments in former accounts, was it not?—Yes; it was.

1901. In those accounts you have not deducted those payments?—We have only deducted the clear charges for collection and management: those extraordinary payments are not deducted. The object of this alteration was to bring before Parliament the extraordinary payment that had been made out of the gross revenue, and therefore the revenue is shown in full, and the extraordinary payment for the redemption of those pensions is shown on the other side of the account.

1902. I suppose that the Government who moved for the payment might have made a minute, and brought that minute before Parliament?—They could, undoubtedly; but there is no more convenient mode of doing that than by placing it in the account of the Treasury finance transactions for the period.

1903. Is it convenient to change what hitherto has been considered the mode of calculating the income without the knowledge of Parliament at all?—It is done with the full knowledge of Parliament, and I think it is convenient to make a change whenever there appears to be a necessity for it; if we make no change we shall never make improvements at all.

1904. I did not ask you that; but if the Excise net income is generally supposed to mean one thing, is it advisable to make alterations without Parliament knowing in the least that the alterations are made?—What we understand by net income, is the income after abating the charges of collection, and I think that that is a fair interpretation to put upon those words.

1905. Is that the interpretation which has been put before upon those words?—In a previous case it was not done.

1906. In point of fact, was not it the case that all those charges, the whole of those pensions, were annual payments, and were regularly deducted and considered as expenditure defrayed by the revenue departments, and deducted from the net income?—It was; still I think when you come to the redemption of a debt of that kind, it is proper that it should be shown and not taken out of the net income.

1907. Therefore, at any rate, so far as it appears, your return may be much better than it was before, but it is not in conformity with the old practice of the department?—No; this has been a variation from the previous practice; I only know of two previous accounts; there is one in 1853 and one in 1826.

1908. With regard to the redemption, it is quite true, but as to the pensions themselves,

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themselves, they were annually deducted?—The annual pensions were deducted; it was an annual charge upon the revenue.

1909. You stated, did you not, that you thought that only the charges of collection should be deducted under the net income?—The permanent charges upon the revenue, and the charges of collection and management. There are other charges which are by law fixed upon the annual revenue, and those have been invariably deducted.

1910. Will you have the goodness to turn to the other sheet of the income, and explain to the Committee what is meant by this: under the head of "Balances in the Exchequer," it states the balances in England and Ireland to be "3,949,774 *l.* 11 *s.* 8 *d.*," and it ends again with, "Balances in the Exchequer; Bank of England, so much; Bank of Ireland, so much." That is on the other side "Issued." Was there any issue from the Exchequer of those hereditary pensions?—No, but there was an issue out of the revenue; those two accounts must be looked upon as one, because the second statement is confined to the balances taken away from the first account, and to the redemption of debt and other charges, which do not belong to income or expenditure; but you may consolidate those two accounts, for they are really one account; if you debit the gross revenue you must of necessity place the payment on the other side, or the account would not balance.

1911. No doubt, having put in one thing which has not been issued from the Exchequer, you must put in a payment to counterbalance it?—If you charge on the one side the gross revenue you must on the other side have that which has been taken out of that revenue.

1912. It is not exactly the gross revenue, but it is the net revenue after abating the annual charges which are defrayed out of the revenue; you have charged as an issue that which was not issued from the Exchequer, but that which was made as a payment out of the revenue?—It was an issue out of the Excise and out of the Post-office revenues.

1913. Is not this the first time when a charge of that kind has been shown under such an account?—It is the first time, I believe, that it has been shown in this account of income and expenditure.

1914. As an account, it is the first time that it has appeared?—Yes, it is the first time that it has appeared in this account.

1915. Is it not the habit to place under the issues the issues from the Exchequer?—Yes; the account consists of issues from the Exchequer, with the exception of those two pensions which had been redeemed out of the revenue; there is a third charge, a sum deducted by the Bank for the management of the loan.

1916. Has that been usually put in before?—I suspect that it has appeared in the finance accounts before, but the other two have not.

1917. Sir *Henry Willoughby*.] That is under an Act of Parliament, is it not?—Yes.

1918. *Chairman*.] The gross sum is not paid to the Exchequer?—No; but the Bank are allowed to retain out of the gross sums received their charge for management; we have altered it in the last loan, and it is directed to be made by issues from the Exchequer.

1919. Will you state whether, those items being charged under the head of issues, it is not a new mode of introducing them, and whether they have been introduced in the same way before?—It is a new practice; it is the first time that it has been done; but the object is, of course, perfectly clear, namely, to give the earliest information to Parliament of that transaction.

1920. When did the transaction take place?—It took place in March, I believe.

1921. You could easily have laid on the table the Treasury Minute, and given that information?—Yes; but it is far better I think, as a matter of account, to place these things on record in the public accounts; we have only continued the net public income for a time till Mr. Gladstone's Act is fully carried out; it is intended to be a statement of the gross income from the beginning of this year, and it is only a step towards the final carrying out of that Act.

1922. *Mr. Chancellor of the Exchequer*.] Has it not been argued that, though the Treasury have power to pay, and indeed were bound to pay the annual hereditary pensions out of the gross revenue, it was not considered right for them

them to redeem them out of the gross revenue without the authority of Parliament?—Yes.

1923. Does not that argument assume that there is a difference between the annual payment out of the gross revenue, and the payment of a gross sum for the redemption of the pensions?—Certainly.

1924. Adopting the spirit of that argument, is there not a reason for showing, upon the face of the accounts, the large sums paid for the redemption, while the smaller sums for the annual pensions was not stated on the accounts?—I think that is the natural conclusion; the proper mode of preparing accounts is to state the whole of the facts, and not to have to look to the two sides of the account for the payments, one portion being deducted from the receipts. We are now in a state of transition; and if it had not been contemplated to bring, in a very short time, the gross revenue before Parliament, it might have been a question as to the propriety of deviating from precedent. I think the proper course has been adopted in this case in placing the matter on record in the account where it ought to appear; it is not the account of the Exchequer, but the Treasury account, in which they are bound to tell Parliament all that they have done with regard to the finances of the country.

1925. Mr. *Cardwell.*] Suppose the redemption to take place in the year 1856, and the capital payment to be made out of the Excise revenue, then, taking the three accounts for the year 1855, the year 1856, and the year 1857, though appearing to be the same accounts, they would, in reality, have represented three different states of facts. If this entry had not been made, the first account would have represented the Excise burdened with the annual charge; the second account would have represented the Excise, the capital value of the charge having been deducted from the Excise revenue; and the third account would represent the Excise without any burden at all, either for principal or interest?—That would have been the effect, undoubtedly; there is also a prior account which I will mention, namely, the account of the revenue published in the newspapers at the close of each quarter under each head of revenue; if we had taken off in one quarter 213,000 *l.* from the revenue, of course the country would have been led to expect that the Excise and Post-office revenues for that quarter had fallen off to that extent. We were therefore obliged, in order to avoid any misconception on the part of the public, to show the revenue received without reference to those deductions, and to place those transactions on the other side of the account, that they might be shown; and, as a matter of comparison, it is no doubt far better to make the accounts as uniform as you can.

1926. Whether, speaking of the immediate effect of the publication of the account, or of the permanent effect of keeping the accounts of different years, for the purpose of comparison, you avoided ambiguity, and gave useful information by the course which you adopted?—That was the reason why that course was adopted by the Treasury; it was considered that it would be the most intelligible to the public.

1927. Sir *Henry Willoughby.*] Would it not have been a proper question to submit to Parliament, first, whether those pensions should be redeemed at all; and, secondly, at what price?—I can hardly answer that; whether those matters should be dealt with by the Government or by Parliament, is a question which is determined in a great measure by precedent; in all former cases it had been done in precisely the same manner as on this occasion, and as Parliament had been told of the course that was to be adopted, I think that the Treasury in this case acted rightly.

1928. Are you of opinion that it is a proper course to pay 213,000 *l.* out of the public revenue, without the knowledge or sanction of Parliament?—If the pension was a legal charge upon the revenue it could only be redeemed out of the revenue, and the object of the redemption of those pensions was to enable the Government to place before Parliament the gross revenue, and to enable them to deal with the gross expenditure. Mr. Gladstone, upon introducing his Bill, explained distinctly to the House that the negotiations for buying up these pensions were nearly completed, and I consider that Parliament had full information of the intentions of Government.

1929. That was when the transaction was completed; had Parliament any information before that transaction was completed?—They had; it was communicated by the finance minister to the House at the time that he announced his intentions.

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1930. Did the finance minister communicate to the House that he was about to redeem certain pensions at an expense of 213,000 *l.*?—He stated the facts clearly, not only as to that 213,000 *l.*, but as regards the whole of the pensions.

1931. When did he state that fact?—On introducing his Bill for removing certain charges from the gross revenue to the votes.

1932. To what finance minister do you refer?—Mr. Gladstone.

1933. Will you undertake to say that he asserted in Parliament that he was going to expend 213,000 *l.* of the public revenue in the redemption of certain pensions?—Mr. Gladstone did not name the sum, because the negotiations were not completed; but his statement went to a much larger sum than 213,000 *l.*

1934. Did he mention any sum?—No; but the purchase-money of the pensions to be redeemed was very much larger than that sum would represent.

1935. Did he do more than state that it was desirable that those pensions should be redeemed, leaving the question as to the mode of redemption entirely open?—He did more than that; he told the House that the negotiations were in a very advanced state; he might say almost completed.

1936. Sir *Henry Willoughby.*] Whence do you derive this information?—From Hansard.

1937. Mr. *Williams.*] What is the necessity for having those pensions redeemed, in order to pay the whole amount of the public money into the Exchequer: I am aware that sums are charged upon branches of the revenue; but would it not be as well to to charge them on the Consolidated Fund generally; and in that case there would be no necessity for their being redeemed, in order to pay the whole amount into the Exchequer?—That is a matter entirely for the consideration of the Chancellor of the Exchequer; it is not one which I can give an opinion upon.

1938. Can you show any necessity, in order to effect a public object, for paying the whole of the revenue into the Exchequer?—If those pensions were transferred, and became a permanent charge upon the Consolidated Fund, and removed from the revenue, then the gross revenue could be paid in.

1939. There was one instance in which a high degree of patriotism was shown; the case of the Marquis of Camden, who resigned to the public a very large pension to which he was entitled?—It was not a pension at all. The Marquis Camden was entitled by virtue of the office which he held, I believe the office of Teller of the Exchequer, to a large amount of fees; he considered that those fees were larger than he was justified in drawing, for the services which he performed for the public; and I believe he retained 2,700 *l.* a year for his services, and the remainder was paid into the Exchequer.

1940. The original sum which was assigned to him, and to which he was entitled, was 10,000 *l.*, was it not?—It was a very large sum.

1941. Mr. *Chancellor of the Exchequer.*] Was not it in the nature of a sinecure office held for life?—Yes; and it dropped with the Marquis Camden.

1942. Are not the hereditary pensions grants made by the Crown in perpetuity to a particular family?—Yes; and many of them have been sold; it is a freehold.

1943. It is in the nature of hereditary property, is it not?—Yes.

1944. Sir *James Graham.*] They are fixed annuities?—Yes.

1945. Before commutation?—Yes.

1946. Lord Camden's receipts as Teller of the Exchequer, according to his legal title, varied in amount with the fees of the year?—Precisely.

1947. And he by a voluntary act commuted that varying income from fees to a fixed annuity during his life of 2,700 *l.* a year?—Yes, and he surrendered the difference for the public use.

1948. Sir *Henry Willoughby.*] Did not those fees vary with the amount of taxation?—They were fees upon the issues of public money.

1949. Sir *James Graham.*] And the larger the expenditure, the larger his receipts?—Yes.

1950. Sir *Henry Willoughby.*] You stated, did you not, that so far as the public monies being in the Bank of England are concerned, you consider that the issues of the money may be safely managed, and payments made by the Treasury and by the Pay-office?—Yes.

1951. You consider those offices sufficient to perform that work safely?—I think so.

1952. Are you of opinion that they require no control or check whatever up to the period of payment?—There would be just as much check under the proposed plan of paying through the Pay-office under the Treasury authority as there is at present; I see no difference. The Treasury is a department of check; the Treasury does not authorise all the expenditure paid by the Paymaster; that expenditure is authorised by the great naval and military and many of the civil departments; and the duty of the Treasury is to see that those departments keep within the limits of their grants.

1953. If the Treasury could order the receivers of the revenue to pay 213,000 *l.*, is it in the power of the Treasury to order those receivers to pay any sum of money that they think right?—The Treasury can only authorise the payment of charges that are legitimately payable out of the revenue.

1954. Could the receivers of the public revenue exercise a control over the Treasury, and refuse to pay?—I apprehend not; I do not know how far the Treasury power extends over those receivers, but the revenue, till it reaches the Exchequer, is undoubtedly under the sole control of the Executive Government.

1955. Do you mean the Treasury?—I mean the Revenue Boards first, and with power to the Treasury to interfere when their interference is necessary.

1956. You use the word "Treasury;" what does that mean?—The finance department.

1957. Who are the responsible officers?—The Chancellor of the Exchequer and the Board.

1958. What does the Board consist of?—It consists of the First Lord of the Treasury, the Chancellor of the Exchequer, and three junior Lords.

1959. Is it not the fact that a great deal of the financial business of the Treasury must be transacted by the secretary?—No doubt a great deal of the financial business of the Treasury is conducted by the secretary.

1960. All those officers hold office at the will of the Crown, and may be removed at a short notice, may they not?—Yes.

1961. In the system that you speak of, may not the Secretary of the Treasury perform a great deal of this business on his own responsibility?—He is supposed, in all important matters, to consult the Chancellor of the Exchequer and the Board.

1962. If anything went wrong who would be responsible?—The Board would be responsible.

1963. With regard to the Paymaster-general's office, who is the responsible person in that office?—The Paymaster-general.

1964. Does the Paymaster-general perform any functions at all?—The Paymaster-general does not attend to the details of the duties of the Pay-office, but all the officers in that department act under powers derived from him.

1965. If anything went wrong in the Pay-office, who is responsible?—The Paymaster-general would be responsible to the Treasury.

1966. Does he enter into any security?—No; it would be impossible to require adequate security from an officer having so large a trust.

1967. Is it, in your opinion, a safe system to place those important duties in the hands of a person who performs his functions by deputy?—The whole of the duties of that department are duties of detail, and are conducted under defined regulations laid down in the Minutes of the Treasury; there is no discretion which he can exercise, and therefore when he has given his deputation to different officers to act for him, the business may go on safely, by only calling his attention to points that require new regulations; you cannot expect the Paymaster-general to sit down and draw cheques, or to superintend the working of the cash business of the office. It requires a great deal of previous experience, and he can do no more than give his authority to others to act for him in those detail duties; but whenever a matter arises which requires the exercise of his judgment it is invariably submitted to him.

1968. When the Acts of Parliament impose, as they do, very important duties on the Paymaster-general in that name, is it not a dangerous system that devolves those duties, in point of fact, upon deputies?—I think the manner in which it is done could hardly be improved, unless you abolish the office of Paymaster-general and make the deputy the principal.

1969. Is it not the fact, that the Paymaster-general is occupied in other duties?—He has other duties to perform as Vice-President of the Board of Trade.

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1970. You stated, did you not, that you consider the office of Comptroller-general to be a useless office?—It is useless to the extent to which I stated it; as to the mode of conducting the pecuniary business, I think that it might be done more expeditiously and better without that office.

1971. At the beginning of the year there was a certain grant of money voted in supply, 7,632,000 *l.* under the head of "Provisions, Forage, Fuel, and Light," will you be pleased to state how that sum would pass into the Paymaster-general's office?—The Minister for War is solely responsible for the expenditure of that vote, and from time to time he will issue his orders for payments upon the contracts made for those supplies. When those orders come to the knowledge of the Paymaster-general, he applies to the Treasury for the issue; the Treasury authorises the Exchequer to place that issue to the credit of his account, and the Paymaster-general makes the payment ordered by the Minister for War out of the issue so made.

1972. Does the Treasury exercise any control whatsoever upon that amount of expenditure?—The Treasury can exercise no control over the details of the contracts or the details of the expenditure for the naval and military services. That rests upon the responsibility of the departments entrusted with the application of those votes.

1973. Therefore all that the Treasury has to do, is to see that no greater sum than 7,632,000 *l.* is paid under that head?—The control of the Treasury is limited to that; but the Minister of War would not alter the scale of allowances without reference to the Treasury for their previous sanction.

1974. Does the application of that money entirely depend upon the Secretary for War?—The Minister for War is solely responsible for the proper application of that money.

1975. Supposing there were what the Paymaster-general might think was an improper demand for payment, has he or his deputy any power to decline to order that payment?—None whatever.

1976. Then what is the check upon the Secretary for War?—The check upon the Secretary for War is the check which Parliament exercises by requiring him to submit to them a detailed estimate of the expenditure which he intends to incur; that is the check which Parliament establishes upon the future. Upon the present, they exercise a check by appointing the Audit Board to watch the progress of the accounts of that expenditure, and to see that no part of it is placed under a wrong vote, and that the accounts are honestly prepared. The check upon the past is when the account of that expenditure is laid before Parliament, and they have an opportunity of calling upon the responsible Minister for any explanation that they think proper as to the application of the votes.

1977. After the expenditure is incurred?—Yes.

1978. And that, in point of fact, is the whole control?—Yes, that is the whole control.

1979. Suppose the Secretary of State for War chose to employ 25,000 *l.* in building a house at Aldershot or in fireworks, any objection to such an expenditure could only be made after it had been incurred, and it had gone through the audit?—Supposing the Minister for War to do that on his own authority, it could only be detected after the account had been prepared; but it is the practice for the Minister for War, whenever he intends to construct any building which is not specially provided for in the Estimates, to submit the matter to the Treasury, and to receive their sanction for any deviation from the Estimates.

1980. Are such deviations of common occurrence?—The references to the Treasury are numerous upon those points.

1981. Do the Treasury, in point of fact, authorise deviations from the Estimates?—Not from the vote; but in cases of absolute necessity, deviations are sanctioned, provided they are within the limits of the vote; they would authorise the execution of a repair that was not contemplated in the Estimate, provided it did not exceed the funds placed at the disposal of the department by Parliament for works and repairs.

1982. In what shape would that authority of the Treasury be made to appear?—It would be a report made from the Minister for War to the Treasury, and, after consideration by the Board of Treasury, a sanction would be given in the shape of a Treasury Minute.

1983. You

1983. You have spoken of the cash account; who controls that?—The departments to which the cash belongs; the Paymaster-general renders to each department, weekly, a statement of all the sums that he has received on his cash account, and he receives nothing upon that account without previous authority from them.

1984. You have stated that the Pay-office, to a certain extent, is the receiver of the revenue; I think you said to the extent of 300,000 *l.*?—The Pay-office receives various small sums, from the departments of expenditure principally; I believe 300,000 *l.* was the amount that I stated.

1985. Do you see nothing objectionable in making the Pay-office an office for the receipt of revenue?—Nothing whatever; on the contrary, a great part of those receipts must be collected through the Pay-office, because they come through the departments of expenditure, whose monies are kept at the Pay-office, and they have no means of making that payment to the Exchequer except through the Paymaster-general. I doubt whether the Exchequer ought to take any cognizance of the monies until they are actually received; and there should be for all the departments some functionary to be responsible for the collection, the same as it is with regard to the great branches of the revenue; for those miscellaneous branches it would be very convenient that the Paymaster-general should be the person responsible for looking after those miscellaneous receipts; there is a danger of their being lost sight of, unless there is somebody whose specific duty it is to watch and collect them.

1986. It is not your opinion that you could remove that receipt of revenue from the Pay-office, so that it should get into the Exchequer?—It all passes into the Exchequer; the Pay-office merely acts as the collector for those sums, and having collected them, it hands them over to the Exchequer.

1987. Do you see any objection to receiving the revenue in the Pay-office?—None whatever; I think that any pecuniary agent will do for the receipt of money as well as for the payment.

1988. Some evidence was given with regard to the 150,000 *l.* that was paid by the Turkish Government with certain objects. In Question 1713, you were asked this question by Mr. Henley, "Who would be answerable for it to the Turkish Government if the money was not properly appropriated?" and your answer is, "I think the House of Commons"?—I said that if the money was appropriated by the Naval department to naval services; if such an improbable event happened, I thought Parliament would be bound to make it good.

1989. How could the House of Commons know anything about it?—It must come before the House of Commons; if the Navy spent that money it would be shown in their accounts; their accounts come before Parliament, with a certificate from the Audit Board, and a report.

1990. Do you seriously mean to say that the House of Commons would be answerable for the expenditure of a sum of money, of the existence of which they could by possibility know nothing?—I think that in equity they would be bound to make good to the Turkish Government any monies which a public department in this country had misappropriated.

1991. Have you known any other instance of money being expended in the same way as that 150,000 *l.*?—No; I said that it was quite a special case, that arose out of the war.

1992. You never heard of another case?—I cannot recollect another case of that kind.

1993. There was a little confusion about the misappropriation of money in the Pay-office; and I want to know whether it is not the fact that, for a day, constant misappropriations of money do take place; that is, that monies that arrive by Exchequer credits for one purpose are applied to another?—Yes; but we must not call that misappropriation. The temporary employment of monies drawn for one purpose, for other purposes which have credits in the Exchequer, with the object of lessening the balances at the disposal of the Pay-office, can never be called misappropriation.

1994. It is a fact that, for a day, the Navy money may be expended for Ordnance purposes, or *vice versâ*?—The practice is this: I will repeat it, that there may be no misunderstanding about it. The monies are drawn from day to day, according to the best estimate that can be formed of the probable demands of the day, and they are placed in the working accounts; and if a service has to be paid for which no credits have been drawn, that service would be

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be paid; you never could think of rejecting a bill for a service which had funds in the Exchequer, because monies had accidentally not been drawn to meet it; the advance is adjusted on the next issue: so that the service stands in credit as if that payment had not been made out of other monies.

1995. Does that application of money ever last longer than 24 hours?—It might last more than 24 hours, because it must depend very much upon the amount of money required; but it is not the practice ever to issue beyond the credits which can be called for at any moment.

1996. With regard to the monies for civil services, can you state that monies which have been voted for one object have never been applied to another by the order of the Treasury?—No monies for the civil services which have been voted for one service are applied to another.

1997. Are you able to say that that has never been done?—I have laid before the Committee a statement showing the balances at the close of the year, which will show the cases in which that has been done. I think there were two cases; I think one was for Labuan, as to which, after the vote had ceased, some bills were presented for payment, and the Treasury directed them to be paid, and they intend to recover the amount from the Colonial Government. I do not know whether there is another case. With regard to "Stationery" and "Extraordinary Expenses of Foreign Ministers," those were cases in which those expenses were clearly provided for by Parliament out of the extraordinary grant; and they were merely shown as accounts overdrawn, as it was thought better to bring them specially before Parliament, rather than take the excess out of that grant.

1998. Are you able to state, with those exceptions, that such a practice has never been carried out?—I am not aware of any case; the sums remaining on the miscellaneous votes are so large that there is very little danger of that occurring. I have a statement here which shows that the sum remaining on hand of miscellaneous votes on the 31st of March last amounted to 4,177,000*l.*, and with that fund at our disposal we stand in no great danger of exceeding the miscellaneous votes. The Committee are aware that the balances are not surrendered upon those votes from year to year as they are upon the votes for naval and military services.

1999. Who is the judge of what is an "old store"?—The Naval and the Ordnance departments.

2000. Is that a right expression, "Old stores"?—It is an ancient term, which includes all unserviceable stores which are sold, and are not replaced.

2001. Would that include new stores that are not wanted?—Yes, it would include new stores that are not wanted.

2002. Then, in that sense, it would be an incorrect term?—Yes, they are old and unserviceable stores; you may call them unserviceable if they are not wanted.

2003. Who is the executive officer who determines these points?—The local officers at the different establishments; those stores are sold by auction, under the sanction of the departments in London, and the whole sale goes to the account of old stores.

2004. Assuming that it was desirable to make the office of Comptroller-general more efficient, would it be impossible to supply him with information of everything that takes place in the Pay-office from day to day?—There is no difficulty in the Pay-office furnishing any information that may be required.

2005. Has he any information as matters now stand?—None; his duty is limited by Act of Parliament to the issue of public money.

2006. Therefore he is constantly in a state of ignorance of the actual state of the money affairs of the departments?—The application of the monies does not pass under his review, and he knows nothing about it.

2007. Do you see any objection, if you wanted to make his office efficient, to his being informed?—That information must not be derived solely from the Pay-office; it must be derived from the great departments of expenditure; the Pay-office is not the department in which the expenditure is incurred; the expenditure is incurred in those great departments, and the Pay-office has nothing to do but to pay the money that is ordered.

2008. What plan would you suggest in order to afford that information to the office of the Comptroller-general?—That duty, as the Committee are aware, is already performed by the Audit Board, and whether it is necessary that it should

should be done twice over, is a question for the Committee to consider. If the Comptroller of the Exchequer were to supersede the Audit Board in their duties, he would have his clerk in each of the departments, or a set of clerks to watch the expenditure.

2009. My question had reference to some means of acquiring a knowledge of the expenditure, as it is actually expending?—The actual application of the money can only be ascertained in the departments where the expenditure takes place.

2010. That can only be done by an officer in each of those departments?—Yes.

2011. Do you see any objections to such a course being adopted?—None whatever, because it is already done in the great departments. I see no objection to an officer being placed there on the part of the Audit Board because it is an audit; but I do not think that it is necessary to set up another audit.

2012. Your view is, that no check is necessary except an effective audit?—I think that an effective audit is the most stringent of all checks.

2013. Sir *James Graham.*] To whom was the 213,000 *l.* commutation paid?—It was paid by the revenue departments to the holders of those pensions. I think one was the Duke of Grafton, and the other was a Mr. Eyre, who held a fourth, I believe, of the pension that was granted to the Duke of Schomberg.

2014. How many years' purchase was granted?—Twenty-six years and a fraction.

2015. I will assume that instead of 213,000 *l.* at 26 years' purchase, 400,000 *l.*, or about 40 years' purchase, were given in the first instance, there was no check upon the Treasury commuting for the larger sum, was there?—No; it rested entirely upon the fidelity of the Treasury.

2016. In illustration of the check after payment, on which you rely, the discretion of the Treasury in giving only 26 years' purchase instead of 40 years' purchase was exercised under the certainty that the sum paid would at last be known to Parliament?—Precisely, and we took the earliest opportunity of laying the information before Parliament.

2017. But if they had not taken the earliest opportunity of doing so, the finance accounts when presented would have shown the payment?—Yes, they must have shown the payment as one of the charges paid out of the revenue.

2018. Then the prodigal grant to the Duke of Grafton must have appeared?—Yes, it must have appeared then.

2019. The Minister who had made that improvident bargain must have been responsible to Parliament?—He must have been; publicity is the great check upon all Governments.

2020. Applying your doctrine to that transaction, do you think that a more efficient check upon the discretion of the Treasury in making that bargain could be provided than that of publicity and responsibility to Parliament?—I think that that is the best check that you can have.

2021. Would any intervention of the Comptroller of the Exchequer have been more efficient?—No; the Comptroller of the Exchequer could hardly question the act of the Government in that respect; he must have issued the money which the Treasury authorised.

2022. If you gave to the Comptroller of the Exchequer the right of interference after issue, with reference to expenditure and appropriation, would he not be lord over the Treasury, over the First Lord of the Treasury and the First Minister of the Crown?—He would be lord over the whole of the public departments; he would have the power to question all the expenditure, and with very limited knowledge.

2023. What would become of Parliamentary responsibility if he exercised that control; and what would be the responsibility of the Executive Government?—There would be none at all; he would be really an officer of Parliament interfering with every department.

2024. Would he not be lord paramount over the whole expenditure?—Yes; he might interfere, and question every contract that was made for carrying on the public service, and every act of the Government.

2025. If he were captious and minute in his interference, would it be possible for the great departments to conduct their daily business?—I doubt whether you

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you would find ministers who would undertake to conduct the business of those departments.

2026. With regard to the Paymaster, he personally does not draw any money, or interfere with the issues of money?—No, he never touches the money; he or his deputy can only write off from the accounts at the Bank to the issuing accounts which are operated upon by others.

2027. With regard to the abuse of the power which the Paymaster-general *qua* paymaster enjoys, are not checks devised as stringent as expert accountants can frame against the danger of tampering with the public money?—I think that the checks are as perfect as they can be.

2028. Are they multifarious?—Yes; but at the same time the checks are not of such a character or so numerous as to interfere with the proper execution of the business; the arrangement of the business is such that no operation is done twice, and where you have different officers who conduct different parts of the business, they act as a check upon each other.

2029. You for a long time conducted that business, did you not?—For 16 years I was the responsible officer in that department.

2030. You are not now immediately connected with it?—I am not.

2031. After your long experience, can you suggest anything more effectual than the checks which exist at present?—Nothing. The checks are, I think, perfect in that office against tampering with the public money.

2032. That is the result of your long experience in an office with which you are no longer connected?—Yes.

2033. *Chairman.*] You have been asked with regard to the control which would be vested in the Comptroller of the Exchequer; supposing a clerk of his office was placed in the Paymaster's office, and you have expressed a strong opinion that it would be an interference and check upon the public service, is the existence of a clerk of the Audit-office in all the departments of the great services any check whatever upon the public services?—The question put to me was, whether, if you gave the Comptroller of the Exchequer the power of interfering with the acts of the great departments, it would not seriously derange the business of those departments; and it was not applicable solely to the Pay-office, because the Pay-office has nothing to do with conducting the expenditure, but only making payments which are legally authorised.

2034. If an officer of the Exchequer, with an officer from the Audit-office were in the Paymaster-general's office, with the view of reporting to Parliament whether the rules laid down were carried out in the Paymaster's office, would that be any check upon the public services?—No. There would be nothing in the Pay-office which would interfere with the conduct of the business in the respective departments.

2035. It would be merely furnishing Parliament with a report as to whether the rules which Parliament might choose to lay down were carried out or not?—That is all that it would be.

2036. Mr. *Cardwell.*] In your opinion the nature of that control to which your attention has been last directed corresponds more with the established functions of the Board of Audit, than with those of the Comptroller of the Exchequer?—Precisely; it is to do in the Pay-office that which is done by the audit clerks in the other departments, only it cannot go so directly to appropriation in that office as it does in the naval and military departments, because the expenditure is not finally appropriated to the votes in that office. I do not know of what use the Comptroller's clerk would be in the Pay-office. I can see no practical benefit that would arise; but it is quite practicable for him to see that the accounts are properly prepared.

2037. Still if the Comptroller's clerk were there he would be discharging functions which more properly belong to a clerk from the Audit Board?—Yes; he would have no vouchers placed before him to enable him to do the duty properly. For instance, a bill comes before him, simply an order for payment from the naval department: "Pay to A. B. 10,000 *l.*, and charge it to stores;" he could do nothing more than see that the Paymaster had that authority, but whether it was for stores or not he would have no means of finding out. But the Audit clerk, who sees that document before it is issued from the department, has the invoice of the contractor before him, the contract and other vouchers upon which that bill is made out, and he has, therefore, a real control; the other would have none.

2038. I think I collect from your evidence that in your opinion the whole idea of Exchequer control belongs to a period of remote antiquity, when the payments were made by actual transfers of cash?—To a period when the Exchequer actually received the cash, and had the custody of it, and even to a certain extent the payment of it; which continued up to a recent period.

2039. Is it your opinion that in order to make the theory of the Exchequer control complete and effective, we must in a great degree forego those advantages which the modern system of banking and finance have introduced into the transactions of the public departments?—Undoubtedly you must make a very great change indeed before you can carry out the Exchequer control.

2040. Sir *James Graham.*] Must you not go back instead of going forward, if you remodel the Exchequer in this sense?—Yes, for at least three quarters of a century, to 1780, when Parliament found so much fault with the accumulation of the balances, and you must allow such a balance as I think would imply danger to the public interests.

2041. Mr. *Cardwell.*] You do not differ from the Comptroller of the Exchequer in thinking that great improvements are to be effected in the control of the public monies?—There is no difference of opinion between any of us as to the objects; it is only as to the mode in which those objects are to be carried out.

2042. You would proceed in a direction entirely opposite to that in which the Comptroller would proceed?—Precisely. I think that practically the mode which the Comptroller suggests would never work efficiently or simply.

2043. *Chairman.*] Those duties which you have spoken of are, as you say, not those of audit; you can have no audit in the Paymaster's office; the clerk who would be there from the Audit-office would have no vouchers to look at?—None beyond the documents upon which the payments are made, which in themselves would furnish him with no information beyond perhaps the amount chargeable against the vote, if the payment belonged to a vote.

2044. Suppose Parliament were to lay down a rule of this kind: that if you had overdrawn your credits one day that should be set right the next, it would not be known, would it, whether that rule was observed or not, unless there was some check in the Paymaster's office?—There is no objection to any check whatever of that kind; the Pay-office may fearlessly throw open its transactions to the whole world; there is nothing there to conceal.

2045. I am not blaming the Pay-office, who have acted upon the notion that the Treasury seem to have entertained as to the mode of appropriating public money; but I ask you whether, if Parliament thought that a stricter appropriation would be necessary, there would be any difficulty in carrying it out by having a clerk at the Pay-office to ascertain that the regulations were carried out?—There is no difficulty whatever in it. If Parliament were to lay down rules, they would be observed, whether there was a clerk there or not. The Paymaster is not an officer who is interested in deviating from the regulations laid down; but you must lay down this principle, either it must be done with the smallest balance that is necessary to carry on the service, or you must remove that restriction and let him have an unlimited balance.

2046. You have stated that you did not see how anything can be known under the proposed alteration, which would not be known now, and that the rule laid down now is, that things should be set right with regard to the credits by the next day. With regard to the money voted for the Duke of Wellington's funeral, is it not the fact that for two years that money, being a surplus, has been applied to other services than that for which Parliament voted it?—The question with regard to the Duke of Wellington's funeral is precisely that which would occur on any day; the money was issued at an earlier period than it was wanted, and it was used immediately for any services that came in course of payment, and on the following day the money for the services which had been overdrawn would be drawn to replace that credit right on the books again, and so on for the whole period.

2047. That is quite clear, but your statement was, that the Pay-office is careful not to draw upon a particular vote unless it is wanted for that vote; that was not the case with regard to the money for the Duke of Wellington's funeral; has not the unrequired surplus of it been for some time applied to other purposes?—I mentioned that that issue was made by the Treasury without an application from the Pay-office; that issue was made under the impression that the claims would immediately absorb it; various disputes

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arose with the different parties who had to conduct that funeral; their charges were deemed excessive, and the Treasury endeavoured to cut them down; in some cases they were referred to arbitration, and that led to delay; accidents of that kind will occur, and I do not think that a solitary case of that kind should be taken up to illustrate a system.

2048. You have stated, have you not, that you do not understand how anything would be known by Parliament that was not known at present; would such a fact as that, first, that the Treasury had issued the money without any application from the Paymaster; and next, that that money had been drawn upon before the sum was actually wanted; and thirdly, that the surplus had been applied to a variety of other services, have been known at once by Parliament if somebody had been there to report the fact?—You cannot say that the surplus of that vote has been applied to other services; the money which was drawn may have been temporarily used for other services, but not a sixpence of that money has been applied, taking it in its final sense, or expended for other services; the money is still forthcoming for its original service.

2049. The fact that for two years it has been temporarily used for other services would not have come out before Parliament?—Undoubtedly; but it would have been known at any time by any return which Parliament might have required the Pay-office to prepare, whether there was an officer there or not; if Parliament calls upon the Pay-office to lay before the House a statement embracing those transactions, Parliament would know it from that statement, whether there was a clerk there or not.

2050. It was not known until this Committee was appointed; would not it have been known if there had been a person present who was bound to report whether the regulations were carried out?—A party stationed there by Parliament, and making a report to Parliament, would undoubtedly have brought it to the knowledge of Parliament, but it would have been brought to their knowledge without that if Parliament had wished to have information, by calling for a return; if Parliament chose to direct a return to be annually prepared, as they do in regard to the other offices, that information would have appeared.

2051. With regard to that 150,000 *l.* that came into the hands of the Pay-office from the Turkish Government, will you say whether that is not a fact which might not have come out by a report to Parliament, supposing there had been an officer present whose duty it was to have reported it?—I do not think that that transaction was really of such importance that Parliament need know much about it; it was a fact that in the heat of the war, the Turkish Government wishing certain purchases to be made for them in this country, solicited the aid of the Government for that purpose, and they handed over to them the money to make them.

2052. Leaving to Parliament the decision as to whether those things are important to be known or not, would it not have been known if there had been an individual, whether a clerk of the Audit or the Exchequer, in the office to report?—That transaction could have been known without placing an officer in the Pay-office; as it was a naval transaction it passed under the cognisance of the Audit-office, and I do not see why, if it was necessary to state it to Parliament, the auditor could not have done so on the naval account.

2053. You stated, did you not, that the auditor would in all probability not do so?—I stated that I did not think that he would consider it a transaction which came within the line of his duty, but there is no difficulty in his doing so.

2054. The auditors might have reported, but they would not have been bound to report?—No.

2055. Suppose anything of that nature took place at this time, will you state when the report of the auditor would come to the knowledge of Parliament?—Eight months after the expiration of the year, the naval account is made up and laid before Parliament in the session that immediately follows the expiration of the year.

2056. Then it would come before Parliament, it now being 1856, at what period?—That transaction would have been reported next session; it occurred last year.

2057. If at the present moment anything wrong was done, the accounts would be made up on the 31st of March 1857?—Yes.

2058. The

2058. The navy account would be closed in October 1857, would it not?—Yes.

2059. The report would be made, would it not, at the beginning of the session of 1858?—Precisely.

2060. Then it would come to the knowledge of Parliament about two years after the transaction had taken place?—Yes; if it took place now.

2061. Mr. *Wilson.*] Could a clerk from the Exchequer in the Pay-office do anything more than the annual account laid before Parliament could do?—That would depend entirely upon what the regulations laid down by Parliament might be; but if the House required him to make a monthly report to Parliament upon the accounts of this department, it would be seen monthly during the sitting of Parliament.

2062. Would it be compatible with carrying on the public business that any clerk should take upon himself the responsibility of calling in question the estimate that the Paymaster makes one day of the payments that he is to make on the following day?—No clerk could question that estimate unless he had a better knowledge of what was forthcoming than the Pay-office.

2063. Would not it be devolving upon the clerk the whole of the duties and the responsibility of the Pay-office, if he had to control the amount of money that the Paymaster himself might call for?—Undoubtedly; if he had the power of interference it would seriously derange the business of that office.

2064. Supposing he did not take that function upon him, might it not be that issues might be received from the Exchequer, as at present, which might not be required on the following day, or for some time to come?—Yes.

2065. All that he could do, would be, in the account, to state that such issues had been made and not expended?—Yes; he could only report the fact.

2066. Then he could only report what the account would give?—Nothing more.

2067. Sir *James Graham.*] You do not contend that the check on the expenditure of the miscellaneous estimates, as now existing, is a perfect check?—No; on the contrary, I have stated that I thought the checks upon those estimates were imperfect. In the first place, I think it is wrong that the unexpended balances of votes should be carried on from year to year, because, although it is not considered a misappropriation at present to do so, yet practically it is so. If a surplus remains on the grant of one year, it is carried forward and expended in the next; that is practically a misappropriation of the money, though it is expended for the same object. I think we should have a more perfect account of the expenditure of those votes, and that the system which has been already established for the naval and military services should be extended to the whole of the votes of Parliament.

2068. To the miscellaneous votes and civil contingencies?—Yes; and that it should also extend to the expenses which are permanently charged upon the Consolidated Fund.

2069. And that at the close of each financial year the unexpended balances should be paid in to the general account at the Bank?—Yes; that is the course adopted now with regard to the naval and military services; any unappropriated monies revert to Parliament.

2070. You would extend that rule to the civil contingencies and the whole of the miscellaneous estimates?—To the whole of the expenditure of the country.

2071. You would introduce, would you not, as to those estimates, a daily audit by a clerk from the Audit-office?—I think that it is a part of the system of control that they should check the appropriation of that account, so that Parliament may have a guarantee that the account is a true and honest statement.

2072. Your experience of the growing effect of that check, commencing in the Navy, and extending to the Army and Ordnance, would lead you to think that that is an effectual check?—I think it is an effectual check, because it brings to the knowledge of Parliament every variation which takes place between the expenditure and the grants.

2073. It is a certain check; and your doctrine is that that certainty operates as a moral check of the strongest kind?—I think so.

2074. You rely upon that certainty?—I should rely upon that check as the best that can be established.

2075. And that, if it be effectual as a single check, has all the advantage of simplicity?—

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simplicity?—It has this great advantage also, that it does not interfere with the current operations of Government. The business progresses in its ordinary course; and if anything is done which may appear to be at variance with the intentions of Parliament, the whole of the documents are placed before the auditors, and they exercise their judgment upon it, and report to Parliament their opinion.

2076. As an accountant, you regard a single check, if simple and effectual, as greatly to be preferred to multiplied checks which are not more stringent?—Undoubtedly, and that check should be applied to facts, and not to estimates; because to check the application of money upon the first issue, it must be done upon the estimate, and the check is not final; but when you come to a check after expenditure, the vouchers are complete, and there is no getting away from the facts; but before payment, or even during the progress of the payments through the Pay-office, it is an intermediate stage; it is not the final charge against the Vote of Parliament. There is a clause in the Act under which the Naval and Military accounts are prepared, which says that nothing in the nature of imprest or of advance, for the final expenditure of which the vouchers have not been returned, shall be charged against the votes in those accounts.

2077. That check in the original Act applied, did it not, to the naval service?—Yes; it is a very necessary check.

2078. Is not the Audit Board altogether independent of the various departments whose accounts it audits?—It is independent of the Government.

2079. Therefore it is not a departmental audit, but an independent audit?—Yes; the appropriation audit is independent.

2080. Would it be possible for Parliament to enact that, if that audit were extended through all the departments, and anything were discovered by them at variance with the appropriation intended by Parliament, or rather, enjoined by the Annual Appropriation Act, they should make a special report to Parliament?—Nothing would be easier than that. In any revision of the duties of the Audit Board, it would be far better if there were any deficiency in the present system of audit, that it should be amended, than that an entirely new machinery should be set up, which might clash with the other.

2081. Instead of having double machinery, from the very circumstance of its being double and therefore complicated, if it were necessary to strengthen the audit, it ought to be by operating upon the existing Audit Board?—I think so; and by extending a system which, from experience, is found to be really effective.

2082. In your opinion, if that were done effectually, as you think it might be done, the remnant of the old Exchequer, the ruin now left standing, might be obliterated?—I think so.

2083. Mr. *Williams*.] You have stated that you think that all the unexpended portions of the votes at the termination of the financial year should be returned to the Exchequer?—Yes.

2084. Do not you think that it would be also desirable that the unexpended portions of the votes should be laid before Parliament in detail, stating the various items that had been unexpended?—Precisely so; it is done as to the naval and military expenditure; the excess or saving is shown on each separate vote, and the net result is the sum which is either voted or surrendered to Parliament. If an account were prepared in a similar form for all miscellaneous services, the same course would be adopted, and the amount of vote for each service, the amount of expenditure for it, and the balance remaining unexpended, would be shown in the account itself; so that the whole detail of the surplus grants would be shown to Parliament annually in the account of the expenditure of those grants.

2085. How soon is that account rendered to Parliament as to the army and navy?—The navy are allowed eight months for the preparation of their account; the army, commissariat, and ordnance have been allowed 12 months, owing to the large amount of the imprest expenditure which takes place abroad. The principle upon which the account is prepared is, that it shall embrace the whole of the expenditure for those services at home and abroad within the period of the account. It is therefore necessary to allow time for the receipt of all those accounts from the most distant stations, for the final examination and audit of them after they are received, and for the preparation of the annual balance sheet for Parliament.

2086. Then you think that the difficulty on account of a part of the expenditure being abroad would be too great to have a statement prepared so soon after the termination of the financial year?—It would be impossible to present a finally appropriated account immediately after the termination of the year. If Parliament desired it I can see no reason why they should not have a provisional statement showing the state of the transactions up to the period when the account might be prepared.

2087. So that the unappropriated part of the money should be paid back into the Treasury, and a statement, as soon as possible, showing the amounts in detail, be laid before Parliament?—You could have two accounts, the provisional account of the year made up as closely as possible to the termination of the year, and the finally appropriated account after the whole of the transactions of the year have been completed.

2088. *Chairman.*] You have stated that the Admiralty is an independent Board; has the Treasury no power of directing the expenditure to be made without account?—The Treasury have that power, and I believe it is exercised in regard to a number of small services, such as travelling expenses of schoolmasters, inspectors of anatomy, and other trifling matters.

2089. It is the case that they have that power?—Yes.

2090. Have the Treasury no power of withdrawing from the audit account already before the auditors?—Not if that account is required to be audited by Act of Parliament by the Audit Board.

2091. Can you state by what authority the whole of the Commissariat accounts used to be audited by the Audit-office?—While they were Treasury accounts they were audited by the Audit-office.

2092. By what authority, and under what power have they been transferred from the Audit Board to the audit of the local authority at the War-office?—They have been transferred to the War-office under the authority of the Treasury, in consequence of the consolidation of the Commissariat with the War department.

2093. Without any authority or sanction from Parliament whatever?—None.

2094. By a mere Minute of the Treasury?—Yes.

2095. Supposing there is any question between the Audit Board and the authorities at the Admiralty as to any item in the naval account, who decides it?—If there is any difference of opinion between the Audit Board and the Admiralty, as to the mode of presenting any transaction in the naval account, it rests with the Treasury, under the Act of Parliament, to decide the mode in which that shall be presented to Parliament; but the Act requires that the report of the Commissioners of Audit shall be laid before Parliament with the account.

2096. But the Treasury decide?—The Treasury decide the manner in which it is to be presented; if there is a difference of opinion, the Treasury come in as umpire, and decide in what manner the items shall be presented to Parliament in the naval account.

2097. The question being in this case between Parliament and the Executive, the Treasury decide how the account is to be made?—Those are questions which are provided for in the Act; a difference of opinion in the classification of an item in the account may arise, as, for instance, whether it should appear under "stores," or under "works;" if there is a difference of opinion upon that point, and the Audit Board and the Admiralty cannot agree, the papers are referred to the Treasury; each party states his case, and the Treasury decide according to the best of their judgment under what head it shall be placed in the account; if the auditors differed from the Treasury, those reports would be laid before Parliament with the account, so that ultimately Parliament would be the judge as to whether the Treasury or the Audit Board were right.

2098. Parliament would know that, but the Audit Board in those cases cannot act against the decision of the Treasury?—The order would be sent to the department which prepares the account; it is only a question as to whether the item should appear under one head of service or under another; when the Treasury decide that question they send their order to the department to place it under the vote to which it belongs.

2099. Supposing a question about old stores arose, whether a sum were to be carried to the Exchequer or not, and there was a difference of opinion upon that point,

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point, it would be decided by the Treasury, would it not?—The Treasury would give their orders to the Admiralty as to the mode in which that item should be presented in the accounts.

2100. The Audit Board could not act upon their own independent opinion?—The Audit Board have no power of altering the account; the department prepares the account and the Audit Board examine it, and make their report to Parliament on the different items; if the Treasury should decide against the judgment of the auditors, the auditors would, in their report upon the account, call the attention of Parliament to the disputed item, and give their reasons why they considered that the Treasury decision was an improper one.

2101. You consider that the present arrangement is perfect with regard to preventing the expenditure exceeding the estimate?—I consider that the audit is perfect as regards the objects for which it was established, which was to give security to Parliament that the accounts presented to them, showing the actual expenditure of the monies voted, are true. It was never intended by the Act that the Board of Audit should have any power of interfering with the discretion of the department as to incurring expenditure; but that the departments should have no power of concealing from Parliament any act of theirs in connection with that expenditure.

2102. The whole principle being the very wise one of not interfering with the action of the executive, but of giving Parliament a perfect knowledge of what was going on within the department?—Precisely to give Parliament the means of calling upon the Minister to explain.

2103. Until you had that Paul Pry, the department was in the habit of neglecting the appropriation?—Yes, the appropriation was neglected until the audit was established.

2104. With regard to the actual expenditure, will you be so good as to ate whether it is a perfect check upon the Admiralty, not expending beyond the sum voted by Parliament?—The Admiralty have the power of expending beyond the grant of Parliament, but they cannot do it without the knowledge of Parliament.

2105. Supposing that the First Lord of the Admiralty, or the Admiralty Board, were pleased to enter into a contract for a certain article, and payment for that article being made on the 1st of April, how would that be known to Parliament?—The Committee are aware probably that the vote for the purchase of stores is taken, not for the expenditure of stores in a year, but for the purchase of stores to be placed in the storehouses; therefore, if the Admiralty wanted to expend more, they have nothing to do but to open their stores; they need not play any tricks with the money; they have full power to spend more for stores in the year than Parliament has voted for the purchase of stores.

2106. They can do that if they please to do it?—Yes, undoubtedly. I do not see what power you can place over the executive in a matter of that kind.

2107. There is no power of showing the liabilities, is there?—It would be a very difficult matter to show the stock in hand, and the liabilities incurred.

2108. In point of fact, the Admiralty and other great departments also, may, if they please to do so, spend money, and postpone the payment to another year, may they not?—They cannot very well postpone the payments, unless their contracts are so framed, but there is generally a specified period for making such payments; prompt payment is the rule of the department.

2109. They can frame their contracts for that, can they not?—Yes; undoubtedly they could receive the articles, and the expenditure would appear in the next year.

2110. For instance, we will suppose one naval Board, who are in the habit of paying up close, and another naval Board who like to postpone the payments; the actual sums which would appear voted, would not be the real sums which had been expended?—No; in these cases the expenditure for supplies, the real expenditure, is not the purchase; it is the actual consumption of the stores and the labour which Parliament places entirely at the disposal of this department.

2111. Mr. *Wilson.*] Nor do the payments represent them?—No, they do not. Parliament does not vote money for that object; it does not say you shall spend so much for stores in the year. It merely says, "We grant you so much for the purchase of stores;" and those stores may not be expended for years.

2112. *Chairman.*]

2112. *Chairman.*] And Parliament is simple enough to suppose that that represents what the expenditure really is?—No; after war there must be a great accumulation of stores, and the first thing to be done ought to be to consume the extra stock, and not to ask for additional money from Parliament to make fresh purchases; therefore, after a war, the first vote would be smaller than the expenditure of the year in which that vote was taken.

2113. Mr. *Cardwell.*] What the Board of Audit cannot accomplish in the inspection and the control of the consumption of stores, could the Comptroller of the Exchequer accomplish by any mechanism that you can suggest?—No; he would be in the same position as the auditors in that respect; the expenditure for stores is a matter upon which no Parliamentary check is established.

2114. With regard to the reports of the Board of Audit, at present it amounts to this, does not it, that the administrative acts are left in the hands of the executive, the Treasury being the principal department of the executive in respect to finance, and the Audit Board having an independent Parliamentary supervision and not interfering with any of the acts, reports to Parliament, and it is in the power of Parliament therefore, upon the report of the Parliamentary officers, to review the proceedings of the executive?—Undoubtedly, Parliament grants its confidence to the departments, and places at their disposal votes for carrying on the public service, and upon the reports of the auditors they can see whether that confidence has been abused or not.

2115. We have heard that since the union of the Commissariat department with the War department, the Commissariat audit has been removed from the Audit Board and transferred to the War-office?—That is the fact.

2116. That, of course, is for convenience, under the impression that the audit can be carried on more efficiently at the War-office than elsewhere?—That is the object, and also to establish something like uniformity in the mode of examination of the great army account. It would hardly do in a great department like the War department to have a portion of the account examined in their own office, and another portion examined in another department. The auditors have still a certain control over those accounts, inasmuch as they come again under their review with regard to the Parliamentary audit.

2117. Would there be any difficulty in establishing within the War department a continuous audit by officers who should be under the direction, and responsible to the Commissioners of Audit?—There would be considerable difficulty, I think, in doing that; the expenditure is incurred under the responsibility of the Minister for War, and he is the proper person to see to the observance of all the regulations laid down for conducting that expenditure; he is the officer responsible to Parliament for the application of the whole of the grants for his department, and for the preparation of his annual account. It is very necessary to place upon one officer the responsibility of having the whole of the accounts prepared and finally audited before those accounts are submitted to Parliament.

2118. I was asking you a question with the view to a concurrent audit; all the control of the expenditure, and all the responsibility of the expenditure, of course is in the Minister of the Crown, and not in the Commissioners of Audit?—Yes.

2119. But what we want to know is, whether there would be any difficulty in having within the War-office itself a concurrent audit conducted by officers who were responsible only to the Commissioners of Audit?—That audit does exist as regards the appropriation of the grants. The Audit Board have their officers in the War department; watching from day to day the progress of the preparation of the account; that already exists in that department.

2120. Is there any respect in which it occurs to you, that that audit requires to be rendered more efficient in order to make the Parliamentary control complete?—No; I think the control is perfect. The Commissariat account was the only exception to the general rule of the Naval and Military departments examining the details of their own accounts; and that only existed because that portion of the expenditure was conducted by the Treasury, where there was no department of audit; the Treasury have been in the habit, with respect to accounts rendered to them, of sending them to the Audit Board for examination; but when they had removed the Commissariat branch to the the War department,

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department, where there was already an audit branch established, it naturally fell within the duties of that department.

2121. But you said, in answer to a previous question, that there would be no difficulty in investing the Commissioners of Audit with the power, and imposing upon them the duty, of making a special report to Parliament whenever anything occurred in any public department which appeared to them to be inconsistent with the intentions of Parliament?—Precisely.

2122. I ask you whether there would be any difficulty in letting the persons who conducted the audit be responsible, not to the office whose accounts they are auditing, but to the Commissioners of Audit; so that if that office sanctioned any expenditure which might appear to be inconsistent with the intention of Parliament, the officers should report it to their superiors, the Commissioners of Audit, and the Commissioners of Audit, if they thought proper, should exercise that power, and discharge that duty which you contemplate, of making an independent and special report to Parliament?—The auditors could perform that duty now, because all the accounts as they are examined in the department are immediately placed before the auditors when the entry of them is made in the books; therefore if there is anything in those accounts which they consider inconsistent with the appropriation directed by Parliament, they have a knowledge of it at the moment the first account is placed before them.

2123. Does not it make a great difference in the audit, whether the detail of the audit is conducted by a person immediately subordinate to the person who is to judge of the audit?—I am afraid that the auditors could not conduct a duty of that kind. It appears to me that they would be still bound to conduct it according to the rules laid down by the Minister for War; all those regulations are framed by the authority under which the expenditure is incurred, and he is the fittest person to see that those regulations have been observed.

2124. No doubt they must conduct it according to instructions received from the Minister of War, but they would have an opportunity, if they doubted the propriety of those instructions, of reporting directly to Parliament?—It would be giving the auditors a power over the Minister, which I think they ought not to have.

2125. Then you qualify your former answer; do not you think it is expedient that the Audit Board should have in such a case the power of making a special report to Parliament?—My former answer referred to any clear case of misappropriation which they might think it necessary to call the attention of Parliament to, before they have finally reported upon the account, and not to a case in which they might exercise their judgment upon the necessity of an expense, and consider that the Minister for War had made a regulation of which they might not approve, such, for instance, as increasing the ration of the soldier.

2126. That is a matter of expenditure, and not a matter of audit; but the objection to the efficiency of the control by the audit was, that it would frequently be two years after the occurrence of the transaction before the final report of the Board of Audit was made, and Parliament would be aware of the departure. In order to obviate that difficulty, I understood you to say that the auditors might be invested with the power of making forthwith a special report to Parliament, whenever a case appeared to be sufficiently important to require it?—Precisely. I referred then to a case of misappropriation to which it might be desirable to call the immediate attention of Parliament.

2127. Do you think as matters now stand, that they are informed sufficiently?—Yes; because the documents are placed before the auditors from day to day. This account is not made up at the close of the year; it is a general account which is prepared from day to day throughout the year, and throughout the period allowed after the expiration of a year for bringing in the final accounts; it would be hopeless to audit an account of that kind if it was not prepared till the close of the year.

2128. Then what difficulty would arise if the persons who prepared it were servants of the Board of Audit instead of being servants of the War department?—I do not see that any object would be gained by making them servants of the Board of Audit; that Board has the same means through the inspectors, whom they place in those departments, of ascertaining the truth of every transaction which is recorded, as if they prepared the account themselves; it would be a mere transfer of the establishment from the departments to the Audit Office.

2129. Mr. *Wilson.*] In point of fact, the Board of Audit does now prepare the account, as an officer of the Board of Audit approves every entry prior to its being made?—Yes, he checks every entry that is made in the books and all the vouchers upon which the account is prepared, and as soon as the entries are made, the books and vouchers are placed before the officers of the Audit Board.

2130. The department examines the transactions of the office, and the Board of Audit sees that those accounts on examination are placed under their proper heads?—Yes, they examine the documents to see that they have undergone the usual official examination, and that the sums are charged to their proper accounts.

2131. With regard to the removal of the audit of the Commissariat account which has been alluded to, is there any difference now in the change that has been made between the audit of the Commissariat accounts and those of all the other large departments?—No; they are now uniform with the general system; before that transfer took place, it was an exception to the system.

2132. Was not it the fact, that the Board of Audit before performed a double function as to the Commissariat accounts; that is the function of examining the accounts in detail which is performed by the department itself, and the function of audit besides, and that in consequence of the Treasury having no officer to examine within their department?—Yes, they conducted in that case two audits.

2133. Then the same audit still remains to the Board of Audit with regard to the Commissariat accounts that has always been there as to the Naval and Army accounts?—Precisely.

2134. Therefore, in point of fact, the audit of the Commissariat accounts has not been removed from the Audit Board; but only the first examination of the accounts?—The detailed examination of the vouchers.

2135. Would the Treasury have any power to limit the functions of the Board of Audit with regard to the audit of appropriations which they exercise as to the War department now?—That is settled by the Act of Parliament; the Treasury could exercise no power of that kind.

2136. The only power which the Treasury could exercise, was that of removing the first examination of those accounts, which they themselves had vested in the Audit Board for convenience?—Yes; they were accounts of expenditure incurred by the Treasury; the Treasury, having no Audit department of its own, sent them to the Audit Board for examination.

2137. Mr. *Chancellor of the Exchequer.*] Was not that transfer made by the Treasury in connection with the other changes involved in the consolidation of the War departments?—It necessarily followed upon the consolidation of the Commissariat with the War department.

2138. Was not that consolidation made with the full cognizance and approbation of Parliament?—Yes, it was made under pressure from Parliament.

2139. Originally before the change introduced, soon after the Restoration, the chief officers of the Treasury discharged their duties in the office of the Exchequer?—Yes, in what are now termed the Treasury Chambers.

2140. Before they were removed to the Treasury Chambers the Lord High Treasurer, and the other principal officers of the Treasury, performed their duties in the office of the Exchequer, did they not?—Yes, they did.

2141. About the time of the Restoration, the Lord High Treasurer and the Chancellor of the Exchequer, and the other chief officers of the Exchequer, were removed into the Chambers in Whitehall?—Yes.

2142. By that change, the chief superintendence of the finance department was taken out of the Exchequer, was it not?—Yes; it then remained with the Treasury.

2143. Therefore, after that change the Exchequer became the bank of the Government, and also it contained certain subordinate officers, who exercised control upon the issues of money deposited in the Exchequer?—Yes; it was a department supposed to exercise a control over the Treasury issues.

2144. Did it not exercise its control in this way, that the whole of the public money was paid into the Exchequer, and there were certain auditors or tellers in the Exchequer who exercised a control over the issues of that money?—Precisely; the Exchequer had then the real custody of the monies, and held them in the Exchequer.

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2145. The monies were actually paid into the Exchequer, and paid out of the Exchequer?—Yes.

2146. And the Exchequer took certain receipts for payments in the form of tally sticks?—Yes.

2147. At what time was it that the practice of paying the public money into the Bank of England was established by Act of Parliament?—It was done at different periods, I believe; as to different services; I think it was not finally carried out till the present Exchequer Act was passed.

2148. Was it done in successive periods during the last century?—Yes.

2149. Did not some branches of the revenue continue to pay into the Exchequer, up to the Exchequer Act of 1834?—Yes; payments were made into the Exchequer Office up to that date.

2150. In the year 1834 the Exchequer ceased to receive any actual payments of money, and became merely an office of account, did it not?—That was the change that took place in 1834.

2151. Having formerly been the Treasury, and having been the office in which those officers exercised the control over the financial department, and also being the bank of the Government, it ceased to be the Treasury, and it ceased to be the bank of the Government?—It did.

2152. And it merely retained through a certain officer the power of exercising a control over the issues of public money which were made by means of transfers from its books?—Yes; made by means of Exchequer credits.

2153. Is that a correct account of the origin of the present office of Exchequer?—Yes, it is.

2154. Will you just explain to the Committee the extent to which the Treasury at present is a department of expenditure?—Without the Miscellaneous Estimates, I can hardly go through the services which are still controlled by the Treasury; but take the first class; as to the great services, the Treasury is not a department of expenditure; now that the Commissariat is removed, there is no portion of the Naval or Military expenditure which is authorised by the Treasury. Then we come to the Miscellaneons Estimates; nearly the whole of Class 1, which relates to public works and buildings, is managed either by the Board of Works in England, or the Board of Works in Ireland; the Treasury do not manage that expenditure. Class 2 embraces the salaries of the different departments; no salary can be granted without the authority of the Treasury; but the Treasury having fixed the establishments, and Parliament having voted the amount, the different departments give their orders upon the Paymaster-general direct without the interference of the Treasury. The third class relates to law and justice, and also to Government prisons and convict hulks. There is a department under the Home-office which directs a great part of that expenditure; it is called the Department of the Directors of Convict Prisons; the whole of that expenditure is managed by them under the directions of the Home Secretary. With regard to the law charges, they depend entirely upon the expense incurred; the Treasury have nothing to do with these matters but to order the payment after the charges have been taxed by their solicitor. With regard to the fourth class, the principal item in that relates to education; the Committee of Council on Education expend that vote, and the Treasury exercise no control over its application; the Council give their orders direct upon the Paymaster. Class 5 relates principally to the salaries of the colonial establishments; they are small votes, and the Treasury, in connexion with the Colonial departments, may fix the salaries, but when once they are fixed, the parties draw periodically direct upon the Paymaster. There is little opportunity for any misappropriation in any of those votes. In the 6th class, the largest amount is the superannuations; these are granted by the Treasury under Act of Parliament; and if they relate to the Naval and Military departments, a communication is made from the Treasury to those departments, and those departments authorise the Paymaster to pay. As to the Civil departments, the Treasury give their orders direct upon the Paymaster; the Pensions are fixed sums, which are granted in conformity with an Act of Parliament. Then with regard to the Miscellaneous Services, which are in Class 7, most of them are specific grants which Parliament sanctions, and the Treasury only pay within the limits of those grants; there is very little opportunity for any improper

improper expenditure as to those grants. The only vote which remains is that for Civil Contingencies, and that is entirely at the disposal of the Treasury.

2155. Mr. *Wilson.*] It is at the disposal of the Treasury, upon requisitions from various other departments?—Yes, for various services.

2156. Mr. *Chancellor of the Exchequer.*] With regard to making direct payments, is the power of the Treasury limited very much to the disposal of the sums granted for Civil Contingencies, and the payments of the salaries of their own department?—Those are the principal items over which they exercise any control; there are various accounts which are examined at the Treasury before payment, such as the maintenance of prisoners in county gaols and the removal of convicts; but all those charges are settled by Act of Parliament, and the Treasury have nothing to do, when those accounts come in, but to see that the charges are according to the rates fixed, and to order the payment of them out of the grant of Parliament for that service.

2157. With regard to the amount of the payments for the entire service of the Government, the Treasury exercise a general control; but with regard to making those payments, the detail duty rests with the individual departments, does it not?—Principally so; and even where the Treasury order payments in detail, it is not for expenditure actually incurred by them, but by the departments which conduct the service; the Treasury order the payments by way of controlling the expenditure.

2158. The great functions of the Treasury may be described not as expenditure, but as the control of expenditure?—Entirely; it is a department of control over other departments; that is the real function of the Board of Treasury.

2159. Mr. *Hankey.*] Is not the repayment of the expenses of criminal prosecutions decided entirely by the Treasury?—It is decided under the principles laid down in the Act of Parliament.

2160. Mr. *Williams.*] You have stated that the Treasury exercise no control over the expenditure of Class No. 1?—No. I said that the expenditure in Class No. 1 is conducted principally by the Board of Works in England, and the Board of Works in Ireland. With regard to a large item in Class 1, which relates to the construction of harbours of refuge and of packet harbours, that expenditure is conducted by the Admiralty, and all that the Treasury do is to repay to the Admiralty account the expenses incurred, out of the vote taken for that service in the Miscellaneous Estimates.

2161. Then the control exercised by the Treasury over the general expenditure is only partial under all circumstances?—The great departments charged with the execution of the public business are the departments that really control the expenditure. The control of the Treasury is of a general character, to see that those departments keep within the limits of the sums appropriated by Parliament for their respective departments.

2162. That same function is exercised, is it not, by the Comptroller-general as well?—The Comptroller-general has also a similar duty to perform.

2163. Mr. *Wilson.*] Before any of those applications are made to Parliament by any department, is it not their duty to apply to the Treasury and obtain the sanction of the Treasury for that expenditure, as a preliminary step beforehand?—Yes. The necessity for incurring that expenditure is of course discussed between the department and the Treasury before a vote is asked for; the control of the Treasury comes in before Parliament is asked to vote the expense.

2164. And it is only after Parliament has sanctioned a certain vote made to a department, that that department becomes no longer accountable to the Treasury for that expenditure, but accountable to Parliament?—Precisely.

2165. Mr. *Chancellor of the Exchequer.*] Do you understand that when Lord Monteagle states that systematic illegality is committed with regard to the issues and appropriation of the public money, his remark applies at all to the conduct of the business in the Treasury, to begin with?—No; I think that Lord Monteagle has gone further than he would have gone if he had founded his statement upon actual investigation; but he wrote his memorandum under a misconception. He never once, during the whole 16 years that I was in the Pay-office, came there to study what the system was; and I think that his remarks apply to the Pay-office, and not to the Treasury.

2166. Do you conceive that his remarks apply in any way to the Exchequer, his own office?—No; I think not.

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2167. Do you understand them as applying exclusively to the Pay-office?—I think that they apply to the Pay-office, and indirectly to the Treasury, as having framed the regulations for the conduct of the Pay-office.

2168. That is to say, the Treasury ought to establish a different set of regulations with respect to the Pay-office, but as regards the practice of the Treasury itself he does not object?—No; I think it is after all really a question of balances. The Treasury feel that great responsibility rests upon them for the proper employment of the public balances, and for the safe custody of them; they think that it is necessary therefore to give the Paymaster only the sum required for carrying on the public service from day to day; and one of the first duties of the Treasury is to look to that. That principle is inconsistent with what Lord Monteagle considers ought to be the rule for conducting those payments. He thinks that there should be a sum in the Paymaster's hands upon each separate vote. To carry out that system would place at the disposal of the Paymaster so large a sum, that the Treasury, in fulfilling the duty which strictly belongs to them, naturally object to place the public money in such large amounts, in the hands of an officer having the power to draw upon it; but the whole question really resolves itself into a question of balances.

2169. There would be no difficulty in carrying that principle into effect, provided the accounts were made more complex, and the public were subjected to greater risk as to the amount of money placed at the disposal of the Paymaster?—No doubt that would enable us to carry on the service more in conformity with Lord Monteagle's views. If you remove the restriction as to the amount of the balance, making it an unlimited balance, and also remove the restriction as to the cash account, so that the monies paid in to that account may be kept, and only used for the services for which they are paid in, if you do away with existing safeguards, and neglect the public interests, Lord Monteagle's views may be carried out more closely than they are now.

2170. *Chairman.*] When you speak of balances, how is the public interest concerned in a balance?—It is very much concerned in the amount of the balance that you place at the disposal of the Paymaster.

2171. Is it a question of interest upon the deficiency bills, or is it a question as to the amount placed at the disposal of the Paymaster, it being a dangerous thing to place large sums at the disposal of anybody?—Both; it is a question of security, as well as of economy.

2172. What is the amount, on any morning, of the balances in the hands of the Paymaster at the Bank?—The balances vary very much; during a war, in a time of heavy pressure, it is necessary to keep much larger balances than during a time of peace. On the 7th of April the balance upon the whole of his accounts was 60,000 *l.*; at the end of the following week, on Saturday, 103,000 *l.*; and, on the Saturday following, 64,000 *l.*

2173. Supposing the Paymaster were inclined to deal improperly with this balance, that is a large sum, is it not?—That is a very small balance for carrying on the service.

2174. It is a very small balance as to public service, but a pretty large sum still to be at the disposal of an individual?—Those are the balances remaining at the close of the preceding evening, and of course they are wanted the first thing the next morning to be written in.

2175. With all the checks upon the disposal of those balances, are they secure?—I think that the checks are as good as they can be.

2176. Do you believe that it is possible for the Deputy-paymaster to get at this money, and appropriate it to his own purposes?—No, I think not.

2177. What is your alarm as to that 60,000 *l.* being doubled?—I doubt if 1,000,000 *l.* would enable the Paymaster-general to keep all his balances in credit; the temptation would be always greater with a large balance which could never be called for; there is a greater temptation then than when the balance is no larger than is actually necessary to carry on the public service.

2178. The Bank would, from day to day, return an account of the balance in their hands?—The larger the balance the more incumbent it would be, both upon the Treasury and upon the heads of the Pay-office, to watch the balances; but there is always danger in a large balance.

2179. To whom can the Bank make any payments; are they not all transfers

to

to different accounts?—They are transfers to the working accounts; but the drawing account is operated upon by cheques.

2180. Checks to private parties, as well as to departments?—To private parties principally.

2181. If anything wrong took place, that would be the way in which it might take place?—I think it affords a temptation; I do not say that the checks are so deficient that I see any danger of it, but when once there is a temptation means may be found to evade the best checks.

2182. You do not suppose that a man presenting a cheque for 1,000,000 *l.* at the Bank would get it paid?—No, it would never be done in large sums.

2183. It would be small sums probably?—I do not see how the checks would fail; but still I think a large balance is always a temptation.

2184. If a fraud were committed in small amounts with a balance of 100,000 *l.*, there would be an opportunity to commit fraud now?—There is an opportunity undoubtedly of committing fraud, but your checks are very perfect, and I do not see, if those checks are enforced, that there is much danger of the public sustaining any loss; but to keep a larger balance than necessary is waste.

2185. The balance, so far as the public service is concerned, seems small; but as regards the amount, if any one wanted to commit a fraud, 100,000 *l.* seems to be ample enough to tempt parties to commit fraud?—Yes, it is sufficient for that purpose, certainly.

2186. Mr. *Hankey.*] A great deal has been said in this discussion about the Paymaster-general. Will you be good enough to state the duties which are now actually performed by the Paymaster-general himself?—The Paymaster-general takes no part in the detailed execution of the duties of the Pay-office. When he comes into office, he grants deputations to various officers to act for him; but if there is any departure from the regulations, or any question arises which calls for further authority, the Paymaster-general is the first person to consult; and if any reference is necessary to the Treasury it is the Paymaster-general who makes it.

2187. Has he any responsibility whatever if the duties of the Paymaster-general's Office are not properly discharged?—The accounts stand in his name, and he is nominally, I will not say that he is actually, responsible for any fraud that takes place. If fraud takes place he must get relieved from the charge, because it stands against him at the Audit-office.

2188. By whom would he be relieved?—He would have to be relieved by the Treasury.

2189. Then he is nominally responsible respecting the discharge of the duties of his office?—Yes.

2190. Has he any means now of knowing what is the nature of the transactions that are daily carried on?—Yes, he has every means of knowing what goes on in the office through the officers who act for him, but it has not been the practice to trouble him with the details of the office which are generally conducted according to settled regulations laid down by the higher authority of the Treasury; and he is only consulted when any departure from those regulations takes place.

2191. Practically, does he know anything of what is going on in his own department?—Only from the reports of his deputy; he does not attend himself at the office.

2192. Is it usual that the Paymaster-general is made cognisant of any transactions going on in his office?—Not unless they are unusual transactions.

2193. Would it not be much better if the duties required of the Paymaster-general were performed by him personally, rather than that the office should be a mere fiction, as it is at present?—It would be better that the duties should be conducted by some permanent, practical officer than by one who is constantly removeable; it requires a knowledge of the detailed regulations, and it requires very close attendance during the whole of business hours, which you would hardly expect from a public officer in his position, having Parliamentary duties to attend to; therefore I think if a change were made, it should be that the deputy should be the principal, and not the principal be the executive officer.

2194. Do you think it a good arrangement that the Paymaster-general should receive no pay, or know nothing of what is going on in his department?—No, it is an anomaly. I should mention that, as Paymaster-general, he has some duties to perform; he is chairman of the Chelsea Board, and he has to attend

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every week a Board at Chelsea to pass pensioners, and conduct other business at that establishment, and he has some other *ex-officio* duties.

2195. Is there any pay whatever attached to the office of Paymaster-general?—Not at present.

2196. Mr. *Williams.*] Does the Treasury exercise any control over the preparation of the estimates for the different departments?—Yes; all estimates are submitted to the Treasury before they are laid on the Table of the House; the Army and Navy Estimates are prepared in the respective departments; of course previous communications take place between the heads of those departments and the Government as to the extent of the force to be employed, and that having been determined, the estimates are prepared accordingly; and those estimates, before they are finally completed and laid on the Table of the House, are submitted to the Treasury for their approval. All the Miscellaneous Estimates are prepared at the Treasury; returns are obtained from the various departments, and they are finally embodied in those classes which are known under the title of Miscellaneous Estimates for Civil Services.

2197. Then after the services are settled by the Government, the amount of the estimates for the Army and Navy are considered by the departments, and after that they are submitted to the Treasury?—Yes; and they are approved by them before they are submitted to Parliament.

2198. Does the Treasury exercise any authority over the amounts of the different items?—The Treasury has the power of objecting to any items in those estimates; and if that occurred there would be a communication between the ministers at the head of the two departments, and the estimates would probably be withdrawn and presented afresh. There is a power in the Treasury of objecting to any items in those estimates.

2199. And that objection would be made effective, would it not?—In my short experience at the Treasury I do not recollect any case in which the estimates have been reduced. It would be a serious responsibility for the Treasury to cut down war estimates.

2200. In time of peace do they exercise any more authority?—Yes; those estimates undergo revision; I do not say that it is very minute; but the scale of expenditure is so agreed on beforehand between the ministers at the head of the two departments, (between the Chancellor of the Exchequer and the ministers controlling those departments), that there is no chance of any rejection when the estimates come before the Treasury.

2201. Then it comes to a question of agreement amongst the Cabinet Ministers?—Yes; those large questions are Cabinet questions.

2202. Mr. *Hankey.*] Is not every estimate when made out by the department submitted to the Treasury before it is laid before Parliament?—Every estimate is submitted to the Treasury.

2203. Is not it practically examined into by some competent party, as to the main object of the estimate?—All the details of the estimates for miscellaneous services are minutely examined into by the Treasury; but as to the great estimates for the naval and military expenditure, it is more a Cabinet question than a departmental one, and the scale of expenditure having been agreed upon, there is very little revision required afterwards in the Treasury.

2204. Mr. *Wilson.*] It is on the responsibility of the Treasury, is it not, that those estimates are presented to Parliament?—Yes.

2205. As to the Army Estimates, it is customary for the Cabinet to decide what number of men are to be retained; and that number of men forms the basis of all other calculations?—Yes.

2206. It is for the Treasury to see that provision is made in accordance with the proposed number of men?—Yes, in the navy; there is an Order in Council which fixes the vote as to the number of men to be employed.

2207. *Chairman.*] The Ordnance Estimates are very much canvassed at the Treasury in times of peace, are they not?—Previously to the formation of the estimates, of course there are a number of questions which come before the Treasury for decision; and when the estimates are finally put together there is very little to object to in them; by anticipation those questions have been already discussed and settled.

2208. There is a check, either before the estimates are framed or after they are framed?—Generally the check is before.

2209. Mr. *Hankey.*] Is the Paymaster-general required to put his own signature

ture to any public documents?—Yes; but very few beyond letters to the Treasury; a new regulation, or anything in connexion with the establishment of his department, would go to the Treasury upon his signature. The only voucher that he actually signs in the conduct of the business is a receipt for the exchange of Exchequer bills; the new bills are issued on his signature.

2210. Practically, is not his signature a mere matter of form?—Not as regards the questions which are submitted to the Treasury by letter; these are matters which he investigates before he ventures to make a submission to the Treasury.

2211. Could not the functions of the Paymaster-general be performed by the Deputy Paymaster-general, without any public inconvenience?—Undoubtedly.

2212. Mr. *Williams.*] Does this gentleman, who receives no salary, attend at the office at all?—He is Vice-President of the Board of Trade; the office of Paymaster-general is always added to some other office; it is not a distinct office; he is continually in attendance at the Board of Trade as Vice-President, and his duties are very heavy.

2213. Mr. *Wilson.*] Have you any observation to make to the Committee, as to the course adopted by the great Naval and Military departments as to the payment of the services included in their estimates; in what way are those payments conducted?—That portion of the army expenditure which was formerly controlled by the Secretary-at-War, and which consists principally of pay, is paid by the Paymaster-general, on the authority of a Royal warrant; as soon as the estimates are passed, a Royal warrant is obtained from the Queen authorising the Paymaster-general to pay to the extent of those votes upon orders signed by the authorities of the War department; that is the authority to the Paymaster-general for the payment of those services, and those services consist partly of final payments which are charged at once against the votes, but principally of imprests. Those imprests are advances to the agents of regiments, who again distribute the monies to the Paymasters of the regiments, and thy are charged in the books of the War department against the persons to whom the monies are advanced. Those officers, at the expiration of every quarter, render an account to the War department, showing the sums which they have received by imprest in this manner from the Paymaster-general, and also any extra receipts which they may have obtained in the period, either from the discharge of soldiers or any other casual receipts. They are charged with those in the books of the office, and their accounts are examined in the department; and it is upon the final expenditure allowed upon those accounts that the votes in the books of those departments are charged with such expenditure.

2214. With the exception of the Royal warrant, the same regulations apply to the Commissariat and to the Ordnance, do they not?—Yes, with the exception of the Royal Warrant; the non-effective services in the Army are paid also upon Queen's warrants; no officer in the army can be placed on the half-pay list without a Royal warrant, and that becomes the authority upon which the Paymaster makes the payment, and the authority also upon which the Audit Board allows that payment.

2215. With regard to the Navy, will you describe the method of paying the effective and non-effective services of the Navy?—As to the Navy, there is an Act of Parliament which directs that all orders for payment on the Paymaster-general shall be signed by the Accountant-general of the Navy, approved by a Lord or such other authority as the Board of Admiralty may from time to time direct; all Naval payments are made in pursuance of that Act of Parliament. Most of the naval payments for effective services are final payments to be charged at once against the votes. The imprest payments are dealt with in precisely the same manner as those which I have described for the War department; they are charged against the parties to whom the money is advanced, who render subsequently accounts showing how they have applied the money; these accounts are examined in the department, and are finally passed to the bookkeeper to be recorded against the respective votes.

2216. And the mode in which they are brought to account, the examination, the record, the audit, and the appropriation, is the same as you have described in all the other departments?—Yes; it all takes place in the departments; it is uniform throughout.

2217. This audited account forms the basis of the balance-sheet that is presented

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sented to Parliament, does it not?—Yes; the balance-sheet is founded upon entries made in the books from the audited accounts.

2218. A statement has been made before the Committee as to the discontinuance of the quarterly warrant, called the Consolidated Fund warrant; is it your opinion that there is any less security to the public, or to the department, in making up the accounts, by the discontinuance of that warrant?—None whatever. I found, shortly after my appointment to the Treasury, that the business of my branch was running into arrear, and when I came to inquire into the cause of it, I found that the clerks were employed in preparing a very voluminous document, called the Consolidated Fund warrant, embracing the whole of the Consolidated Fund, income and expenditure, in very great detail. It was my duty, before I asked the Treasury to give me further assistance, to ascertain the nature of this document, and I found that it related entirely to charges that were gone by. I had some difficulty in understanding how authority could be required from the Treasury for the payment of charges which had already been paid. I found that the practice was this; all the separate services which were paid out of the Consolidated Fund were paid upon distinct warrants furnished by the Treasury, complete in themselves, with all the names, authorities, and sums in detail; those warrants were sent to the Exchequer, and those authorities were final. This document, when I inquired into it, I found to be a duplicate of all those warrants, with the addition of some details furnished by the Exchequer itself, in order to make it a debtor and creditor account. I brought the matter under the consideration of my superiors, and the first inquiry that was made was to ascertain whether this document was required by law; as, if such were the case, whether it was useful or not it was the duty of the Treasury to continue the preparation of it at whatever inconvenience to themselves. The question was referred to the solicitor of the Treasury, and on investigation it was found that there was no legal authority whatever for the preparation of that document. The matter was then brought under the consideration of the Chancellor of the Exchequer, but he was very unwilling to discontinue a document that had been sanctioned by ancient usage, and therefore he thought it right, before he discontinued it, to ask the Comptroller of the Exchequer if he could point out any practical utility that arose from the preparation of this warrant. This was done, and as the Comptroller's answer did not satisfy the Board that the document was of any practical use, an order was given to discontinue it; the document was considered by the Treasury to be a very objectionable one, because it was an authority coming after the fact; and in order to give this so-called warrant the semblance of authority, it was pre-dated about six weeks or two months. That was considered to be an objectionable practice: the Treasury objected also to the practice of one office furnishing another with details, in order that that office might furnish them back again. It was considered at that time, when we were very much pressed, that it was an unjustifiable waste of the public time, and the Board passed a Minute directing that the document should be discontinued; and I am not aware that any inconvenience has arisen from that decision.

2219. Was there any information in that document that did not otherwise exist in a more mature form?—All the information had been previously furnished to the Comptroller, and all the issues made, and the transactions completed.

2220. It was partly an account and partly an estimate, was it not?—Yes.

2221. While it professed to be an account of the whole of the proceedings of the quarter as to the Consolidated Fund, in point of fact, that part of it which was an account was a mere copy of accounts which had already passed between the departments, and the other part was an estimate for the succeeding quarter?—Yes; the estimated charge for the following quarter.

2222. Is it your opinion that any person looking at that account could by possibility learn anything from it?—Nothing; the document was perfectly useless to the Comptroller of the Exchequer; it might have been of use to the Treasury; it was a document by which we could ascertain the amount of deficiency bills wanted in the following quarter; but it came six weeks or two months too late, when the information had been obtained from other documents.

2223. That document was not prepared in time for the purposes for which it professed

professed to be made?—No, certainly not; it was generally pre-dated about six weeks, when it was considered not to be in arrear.

2224. It was partly an account and partly an estimate; it told nothing that had occurred which had not been already shown by better documents, and it was of no practical utility whatever?—No.

2225. What was the bulk of that account, and what was the amount of labour it required to prepare it?—I should say it was from 40 to 50 pages of figures.

2226. Though it had been customary for the Comptroller of the Exchequer to attach his signature to that document as appearing to be an authority for issuing the deficiency bills, the power of the Treasury to issue those bills was entire by Act of Parliament without it?—The words in the Act were precise on that point; "if it shall appear to the Commissioners of the Treasury that the income of the Consolidated Fund is insufficient to meet the charges, they shall direct the Comptroller to issue deficiency bills," but not a word is said as to the interference of the Comptroller in the matter; that point was specially referred to the Solicitor for his opinion, and he said that there was no authority given by the Act to the Comptroller.

2227. It has been stated that the finance accounts, as prepared up to the 1st of April last year, were not placed before Parliament till the month of October, and a great complaint and objection were being made to the new system in consequence of that delay; was that delay accidental, or would it be necessarily the uniform result of the new system?—It was accidental, because in the first year of the change, in consequence of the removal of various charges from the Consolidated Fund to the votes, and other matters, there were difficulties in the preparation of that account which would not occur in the preparation of any subsequent account.

2228. How soon do you think the account may be usually laid before Parliament?—So far as the Treasury is concerned their part might be prepared in three weeks instead of three months; but we are dependent upon other departments for information which is necessary for the completion of those accounts. I would strongly recommend that that account should be broken up, and that those parts which can be prepared at an earlier period, should be submitted to the House of Commons at once, instead of keeping three-fourths of the accounts waiting for, perhaps, one class which cannot be prepared so soon.

2229. What you propose is, that at the earliest possible period the account in its main features should be prepared and presented to Parliament, and that further details, when points which cannot be obtained at the time, should be presented subsequently?—Yes, as soon as possible.

2230. *Chairman.*] Cannot the Pay-office present an annual account, which would be easily prepared, and placed almost immediately on the table, and which would give a good deal of information, and render the finance accounts less necessary?—The Pay-office could undoubtedly furnish an account of the whole of its payments. I do not know whether it would be of much use, because a large portion of the payments cannot be classed against the votes, and it might mislead; but all financial returns, those relating to the income and expenditure of the country, and all issues by the Treasury out of the votes, could be presented at a very early period; probably within three weeks after the expiration of the year.

2231. Mr. *Chancellor of the Exchequer.*] All the charges upon the Consolidated Fund?—Yes.

2232. And the payment of the debt?—Yes.

2233. Mr. *Cardwell.*] Do you think that the House could have the finance accounts prepared by the 31st of March, or by the time that the Chancellor of the Exchequer makes his financial statement?—Not the whole of the financial accounts; but a large portion of the financial returns could be prepared in time for the Chancellor of the Exchequer's statement.

2234. Mr. *Wilson.*] You remember that a change was made a little time ago as to the acquittances; was not it the practice, and a very cumbrous and inconvenient one, to require that all the chief collectors of the revenue should go in the first instance to the Exchequer, to receive from the Exchequer an authority to pay their money into the Bank of England before the Bank of England would receive it, and then after going to the Bank, they subsequently received an acquittance from the Exchequer. Was that their final acquittance?—No. that acquittance was merely a voucher to the Commissioners of Audit. No public

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public accountant can receive his final acquittance except from the Audit Board.

2235. It is a mistake to suppose, is it not, that the Comptroller of the Exchequer ever gave an acquittance at all?—His acquittance was simply a receipt.

2236. The receipt which the accountant now receives from the Bank answers the same purpose; it is an intermediate voucher for his payment to the Audit Board, and that intermediate voucher the Comptroller of the Exchequer gave before?—Precisely. In addition to that, the Comptroller of the Exchequer sends a monthly statement to theAudit Board of the sums which are paid in by each accountant.

2237. But the change has in no way altered or diminished the efficiency of the acquittance which the accountant receives?—In no way whatever. He can only receive it from the department that audits his account.

2238. Are the accounts which are now furnished by the Exchequer to the Treasury, of any use to the Treasury in making up their annual accounts?—Not in the least; they are all duplicate accounts. The Exchequer keep one set of accounts, and they furnish us with a second set; and from the second set a third set is prepared in the Treasury; but I did not find that those accounts answered my purpose, and therefore I prepared a fourth set. The two systems are going on concurrently, and as an inquiry into this matter has been pending for some time, the double accounts are carried on until we know precisely what Parliament may determine in reference to the general accounts of the Treasury and the Exchequer.

2239. A charge has been brought against the Treasury before this Committee for refusing to pay into the Exchequer the amount of the profit by way of premiums which had been made upon the issue of Exchequer bills in the autumn of 1854, amounting to 10,000 *l.* or 12,000 *l.*; do you recollect the occurrence of that circumstance?—Yes; it occurred upon the re-issue of bills, about three millions of which had been paid off in money in 1853. Those bills were issued for supply services from time to time between the month of October and the end of December.

2240. That account was closed in the end of December?—Yes.

2241. When was it that Lord Monteagle first wrote to the Treasury on the subject?—At the close of December, I think.

2242. Was not it in the month of December that the first letter was written to him, in reply to his communication?—Yes, or early in January 1854; in the first letter that was written to him in reply to the question raised by him, he was told distinctly that although it was no part of the functions of the Exchequer to look after the recovery of those monies, it was not the intention of the Treasury to depart from the established practice of paying such sums into the Exchequer, the same as all other profits; it has been the practice to pay in those premiums for a very considerable time; I think the Committee have before them the Minute of the Treasury in 1810, in which they lay down the regulations under which those premiums are to be repaid.

2243. Was not it the Minute of 1810 which has been given in by Lord Monteagle?—Yes.

2244. In that case the sale of the Exchequer bills was conducted by the Bank of England under the control of the Treasury?—Entirely so.

2245. The profit that remained was paid by the Treasury without any interference by the Exchequer, into the Exchequer?—Yes.

2246. In the first letter that was sent to the Comptroller of the Exchequer in December 1853, was he not informed that the same practice would be pursued as had been always pursued?—Yes.

2247. That account was closed, was it not, at the end of December 1853?—The transactions were not completed so soon as that; the Bank furnished an account in the month of January.

2248. Showing the profit?—Yes; arising from that and also some other profit, which arose from discount upon the liquidation of South Sea stock.

2249. Immediately upon the account being furnished to the Treasury the Treasury directed the Bank to pay the money into the Exchequer?—Yes, in the usual course.

2250. In the month of January?—Yes.

2251. If this Committee has been induced to believe, or if a representation has been made, that the Treasury first refused to make that payment into the Exchequer, or delayed to make that payment into the Exchequer, and

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were only at last induced to make that payment into the Exchequer by the continued representations of the Comptroller of the Exchequer, as late as the month of April, would that be a correct representation?—Such a statement could only have been made under a misconception of the facts.

2252. And from an entire want of reference to the early correspondence which had taken place upon the subject?—Yes; the whole transaction was upon record in the correspondence.

2253. The course pursued by the Treasury, with regard to that transaction, was strictly correct, was it not, and according to all precedent?—It was.

2254. You have been asked with regard to the legality of the proceedings of the Treasury, and as to a variation between the practice and the law; had your answer any reference to transactions between the Treasury and the Exchequer?—No; it had reference to Lord Monteagle's interpretation of the law as regarded the Pay-office.

2255. With regard to the Exchequer itself, for the regulation of which the Act was passed, there never has been, and there is not now, the slightest doubt as to the construction of the law, as between the Treasury and the Exchequer?—Clearly not; if there had been any difficulty upon that question, of course the Comptroller would have told us.

2256. When Lord Monteagle proposed to the Treasury to take the opinion of the law officers of the Crown, it must have had either regard to a subject not connected with his own office or to a dispute that did not exist, there being no difference of opinion as to the practice between the Treasury and the Exchequer?—It had reference entirely to the practice of the Pay-office as to the mode of dealing with their floating balance; that was the whole question which Lord Monteagle raised. I may add, that ever since Lord Monteagle's memorandum has been before the Treasury, from the moment when it was first laid before the Chancellor of the Exchequer, there has been a determination to refer the whole question for the consideration of a commission. When it was first placed in Mr. Gladstone's hands he called for some explanations; but on a representation from the officers engaged in the duty of making the issues, he admitted that it was not the time, at the commencement of a great war, to incur the risk of deranging the business of the different offices by inquiring into a matter of such great detail as this involved; but that it should be kept in view, and be investigated by a Royal Commission as soon as time and opportunity offered. It was never the intention of the Treasury to give the go-by to Lord Monteagle's representations.

2257. Mr. *Chancellor of the Exchequer.*] Are you aware that those intentions have been retained up to this present time?—Yes; it was intended to institute an inquiry, notwithstanding the great pressure upon us, in 1854. Mr. Gladstone was then very much inclined to appoint a commission; but when it was communicated to the officers of the Treasury that he intended to do so, he was told that it would so seriously interrupt the course of public business at a time when we were all at high pressure, that he consented to defer it. When his successor came into office he expressed the same intention, and the same representations were made to him; we requested that the inquiry might be deferred till it could be efficiently conducted; but the pressure of the current business upon us, since the commencement of the war, has been too great to admit of our commencing the investigation of a subject of so much detail.

2258. Lord Monteagle's complaint did not relate to any recent change with regard to the practice which had been in existence ever since the Exchequer Act had been passed?—It referred more particularly to a practice which he considers to have commenced in 1848, but it really commenced in 1836, when he was Chancellor of the Exchequer himself, and gave his sanction to the change.

2259. The practice to which Lord Monteagle referred had no connexion with the war; it had existed some years at least, had it not, before the commencement of the war?—Yes; it had existed for many years when he brought it before the Treasury.

2260. It was not therefore brought under the notice of the Treasury as an urgent matter, but as a defective system which had been for some time in operation?—Precisely so.

2261. You know that it has been the intention ever since that representation was made, to submit the whole system to the consideration and inquiry of a commission, as soon as the state of public affairs would render such an inquiry

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inquiry convenient and useful?—Yes; both the late and the present Chancellor of the Exchequer pressed the expediency of an early inquiry upon us; and it was solely for the convenience of the public service that they listened to our representations to postpone it until a better opportunity offered for a full investigation.

2262. *Chairman.*] When the question was pressed upon the House of Commons, and the suggestion made, no such explanation was given in 1854?—I do not recollect the question having been raised in the House of Commons.

2263. Mr. *Wilson.*] You wish, do you not, to give some explanation with regard to an answer that you gave on the last occasion, as to the French accounts: you were asked as to the distinct line of demarcation between the receivers and payers in France?—From some questions put to me on my last examination, an impression seemed to me to prevail that the duties of receivers and payers in France were never united in the same person. I thought that the distinction more particularly referred to those who authorised payments, and those who made them; and, on referring to Dr. Bowring's Reports, I find it is the case. He says that the functions of administrator, (that is, the person who authorises the expenditure,) are incompatible with those of a pecuniary agent, whether receiver or paymaster, both being pecuniary agents; and I find those duties are frequently blended, indeed generally so, in the French system; and it must be so, because that perfect piece of machinery which exists in the French Treasury, which is called the "*Mouvement des Fonds*," and which is the pride of every French financier, is plainly directed to that object. Dr. Bowring says, "The bureau of the '*Mouvement des Fonds*' is specially charged with making all the necessary provision for the emergencies of the public services through all the provinces of France. They take charge of all the receipts, and so appropriate them to the expenditure, that the excess of receipt in one place is made to supply the deficiency in another. This department takes no cognizance of the collection of the revenues until they reach the hands of the receivers-general. Of these there is one in every department of France (amounting to 86 in all), and the administration of the '*Mouvement des Fonds*' is charged with making all the monies recovered for the public account applicable to the public services with the least possible delay, and the least possible expense." He gives an illustration, and he says: "The assessor fixes the amount due by the taxpayer; that amount is received by the collector, and is immediately disposed of by the district receivers, or by the receivers-general. The receivers-general, whose duty it is to preserve a proper equilibrium between the income and outgoing of the public money, sometimes authorise the collectors to make payments to the creditor of the state when the claimant dwells in their particular locality, or more frequently require the amount to be promptly paid to the district receivers, who again may be authorised to apply the amounts to local expenses, or to remit them directly to himself or to the central chest of the treasury; or it may be that the amounts will be required to be transferred to the paymaster for the payment of the orders drawn upon him by the treasury. In this way it is of constant occurrence that the money received from the tax-payer is transferred, the very day of its payment, to individuals having claims on the State, every transfer being made subordinate to the great object of despatch. From the collector to the primary receiver, to the principal receiver, to the paymaster, or to the treasury in Paris, the steps are all subservient to the object which is laid down as the basis of the '*Mouvement des Fonds*' department, 'that in every part of the kingdom the public resources shall be applied to the public service with the least possible delay.'" So that the French system is in a great measure similar to our own; as to the employment of our collectors to make payments in every district of the country, in that respect there is no difference of practice.

2264. Do you know what Dr. Bowring thinks now with regard to the relations of the Exchequer and the Pay-office, after all his experience and the inquiries he has made into the subject?—I have had conversations with both Sir Henry Parnell, when he was in the Pay-office as Paymaster-general, and with Dr. Bowring on his last visit to this country, and I found that they had both changed their opinions as to the system of credits, and admitted that it had not answered their expectations.

Lunæ, 23° *die Junii*, 1856.

MEMBERS PRESENT.

Sir Francis T. Baring.	Mr. Williams.
Mr. Chancellor of the Exchequer.	Sir James Graham.
Mr. James MacGregor.	Mr. Cardwell.
Sir Henry Willoughby.	Mr. Bowyer.
Mr. Wilson.	Mr. Hankey.

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

Ernest Albert Hoffay, Esq., called in; and Examined.

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2265. *Chairman.*] WHAT office do you hold?—That of Assistant Paymaster-general.

2266. When were you appointed to that office?—In March 1854.

2267. What office did you hold before that?—That of inspector, in charge of the naval and military accounts, under the Commissioners of Audit.

2268. That is the office at the head of the Appropriation Audit, is it not?—Yes.

2269. How long did you hold that office?—From April 1846 till March 1854.

2270. Before that you were in the Audit Office as a clerk, were you not?—Before that I was in the Commissariat; I entered the Commissariat in the year 1812, and have been employed at various times on civil duties.

2271. Have you had Mr. Anderson's evidence before you?—Yes, and have read the whole of it, save the last day's.

2272. With regard to the manner in which the monies are paid in to the Pay-office; take a case with regard to the repayment of old naval stores; will you state all the different steps that are taken upon it; there is first a communication, is there not, from the Navy department to the Paymaster, directing him to pay in, as their banker, a given sum?—They send us an order upon their imprest account for the amount.

2273. You then go to the Treasury for a credit, do you not?—Not unless the balance of naval monies in hand is insufficient. We make the charge under the Admiralty order to the imprest account, which is the account to which all charges are made which cannot be finally appropriated. The reason of this is, that the whole of the transactions out of which old store monies are brought to account arise out of the accounts of Admiralty imprest accountants. The stores are sold at various stations at home and abroad, and the proceeds brought to account by the Admiralty accountants, who use them for any purpose they may require. When the accounts come home, the transactions are all passed through the general imprest account. The monies with which the accountants have debited themselves as the proceeds of old stores are collected into an order to the Paymaster-general to pay the amount thereof over to the Exchequer, which is done quarterly.

2274. What is the imprest account?—It is a naval account.

2275. Did not Mr. Anderson state that it was paid out of the cash account?—Yes, it passes through the Paymaster-general's cash account.

2276. That is the account to which the question had reference: how does the Pay-office make a payment?—In this case it is made by transfer.

2277. What is your first step; you must go to the Treasury for a credit, must you not?—Yes, but in this case no money passes; it is a mere transfer in the books.

2278. But how do you get the money from the Exchequer, supposing there are 50,000 *l.*?—By a credit for the Navy.

2279. How do you get that credit?—By application to the Treasury.

2280. Your first step is to apply to the Treasury for a credit, or for an issuing letter?—Yes; credits are asked for daily, under various heads.

2281. You include it in your credit; if you have 50,000 *l.* you must pay it out of the Exchequer?—Yes; if we had not navy money in hand, we should ask the Treasury for a credit.

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2282. You would apply that same evening, having that order for more than you would othewise have?—Yes, if we had not enough in hand.

2283. The balances are kept low, are they not?—Yes.

2284. Then there would be an issuing letter from the Treasury to the Exchequer, and then you would draw from the Exchequer: where would you place the credit that you received from the Exchequer?—We should place the credit to navy services.

2285. Does that go to your cash account?—It would go from the Exchequer credit account into the drawing account.

2286. First from the Exchequer to the Exchequer credit account?—Yes.

2287. From thence it would be transferred to the drawing account, would it not?—Yes.

2288. And from the drawing account where would it go?—It would be made available for general purposes.

2289. Where is the money transferred to; from what account is the transfer made into the Exchequer?—From navy services.

2290. Does it come from your drawing account, or from your cash account, or your Exchequer account?—From the Exchequer credit account to the drawing account.

2291. Then it goes from that drawing account to the credit of the Exchequer back again?—Certainly; it is a payment to the Exchequer account at the Bank of England.

2292. But it never goes through the cash account?—Never as cash.

2293. It comes back again to the Exchequer?—Yes.

2294. Is not that rather a roundabout process?—No; I conceive nothing can be more simple.

2295. It comes out of the Exchequer and it goes back to the Exchequer?—Yes.

2296. Is there any necessity for that?—I conceive so.

2297. Is there any absolute necessity, the money being in the Exchequer, and going back into the Exchequer, that you should apply to the Treasury, that the Treasury should give an order that you should issue to the Exchequer credit, that the Exchequer credit should be transferred to the drawing account, and then ultimately paid back again to the Exchequer; might it not at once, upon the warrant of the Admiralty, go direct from the Exchequer?—Of course it might be done, but I do not see what would be gained by that course.

2298. Do you think that it would be impossible to do it?—I cannot say whether it is possible or not. I have never entertained the subject.

2299. Under the old system money was paid in to the cash account, was it not?—I have no knowledge of any other system.

2300. Have you read the early minutes?—Yes; but there are many of them, and I do not bear every part of them in mind.

2301. I mean the minute giving the directions to the Pay-office?—Certainly; but I have paid more attention to the minute of 1848.

2302. You must recollect that the first minute directs those monies to be paid into the cash account?—I do not recollect any difference from the present practice, unless it is that formerly those moneys were appropriated in aid of the estimates.

2303. Is not the first minute that was laid down the leading minute?—Yes.

2304. Will you have the goodness to state, when you receive the direction, what check there is, supposing you were to detain that money?—The returns of receipts and payments made to the department, and the examination of the account of the Paymaster-general by the Commissioners of Audit.

2305. What interest has the navy in having the money paid into the Exchequer?—I cannot say.

2306. That is known, is it; it does not go to its estimates?—Certainly not.

2307. Consequently the navy has no reason for checking the payment into the Exchequer?—Probably not.

2308. When the navy have directed you to pay the money in, the navy has done with it, has it not; the money has been actually paid in by the navy?—Yes, but the navy have an Exchequer account in their own books; and they would of course be at fault if they found that this payment had not been made. They would ask why.

2309. Is that payment made into the Exchequer account?—No, not by the navy, but through the intervention of the Paymaster-general.

2310. They keep an account of the orders which they give you, do they not?—They do.

2311. Do they receive a receipt from the Exchequer?—No.

2312. In what way would they know. Suppose you were to receive directions from the Treasury to keep that money for a month; how would that be checked?—By the Audit-office on the examination of the Paymaster-general's accounts.

2313. Can you state, supposing a sum of that kind was, by the Treasury, paid into civil contingencies or anything else, what is the check that would show that payment?—The examination of the Paymaster-general's accounts at the Audit Office.

2314. Can you state whether, if such an order were given, it would be reported upon in any shape by the Audit Board; it would go probably in your accounts to the Audit Board?—No order given by the Treasury to act upon navy moneys would be attended to by the Paymaster-general.

2315. Do you mean to say that you would disobey the orders of the Treasury?—I should not recommend acquiescence, without remonstrance and communication with the Admiralty.

2316. You would go to the Paymaster-general in such a case?—Yes.

2317. Do you mean to say that he would disobey the order of the Treasury?—It is difficult to say what his view of the case might be.

2318. I ask you whether the Pay-office is not an office under the Treasury?—It is.

2319. Suppose you still received an order from the Admiralty?—As regards the disposal of their own monies it would I suppose be attended to.

2320. Supposing the Admiralty issued an order that instead of paying it into the Exchequer, you should pay it to the civil contingencies or any other fund, would there be any difficulty in fulfilling those directions?—With the consent of the Admiralty, I conceive not.

2321. That would appear probably in your accounts that were submitted to the Audit-office?—Yes.

2322. Would the auditors examine at all when they saw an order, either from the Treasury or the Admiralty, into the propriety of that order, or would they not?—I think they would, such an order as is supposed, but they would become more immediately cognizant of it through the appropriation audit, if the order was given by the Admiralty.

2323. Will you explain how it would appear in the appropriation audit?—Because the audit clerk could not help noticing an order to pay to civil contingencies a sum which should be paid into the Exchequer.

2324. He would immediately see the order given?—Yes; and it would be objected to.

2325. He would see the order given to transfer it to civil contingencies?—Yes; and it would be immediately objected to by the Commissioners of Audit, under the appropriation audit.

2326. They would object to the order given, would they not?—No question they would.

2327. But suppose the Treasury order is obeyed, it would not come to them in any shape in the Navy accounts?—Yes, it would appear in the Navy accounts. If we obeyed the order of the Treasury to appropriate naval monies for any other purposes than the naval service, it would, of course, appear.

2328. The money is not to be appropriated to naval purposes; it is a sum to be paid into the Exchequer; I ask you whether it would appear in the naval accounts before the appropriation audit?—Yes, it would.

2329. How would it appear?—It would appear in their books, and the auditor therefore would see at once that those monies had not been paid to the Exchequer. but that they had been paid to civil contingencies.

2330. He would see that the direction had been given by the Admiralty for payment of this money; would he see anything more than that the Admiralty had ordered it to be paid into civil contingencies?—Perhaps not till he came to the accounts of the Paymaster-general.

2331. He would see it there?—Yes.*

2332. At the Audit-office, with regard to the accounts of the Paymaster-general,

* On reflection, I find that my answers to this and the four preceding questions were given in error. If the order to pay to civil contingencies proceeded from the Treasury alone, the only check would be through the examination of the Paymaster-general's accounts by the Commissioners of Audit.

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ral, does the Audit Board examine into the propriety of the orders, or do they merely examine to see that a sufficient order has been given?—Not into the propriety of the orders, as the Paymaster-general is simply the banker of the departments, and is bound to obey any order issued under proper authority.

2333. Is your experience of the Audit-office sufficient to say whether the Audit Board are in the habit of examining into the propriety of an order, or would they, if they saw such an order of the Treasury, consider it sufficient without ascertaining whether that was a proper order or not?—To what extent they attend to those points in the Paymaster-general's account I am not competent to say.

2334. With respect to advances, at the present moment the Ordnance and some other departments are in the habit of performing certain works for other departments; I think originally they were performed by the Ordnance, and when the account was made up it was paid from the department for whom the work had been done: is that the case now; I think by the minute of December 1848 there has been some alteration?—It is done in the same manner. I am not aware of any alteration. Services done by one department for another are repaid by the department for which the service is done out of the proper grant of Parliament. I am not aware of any difference in practice.

2335. Will you look at that Minute (*the Minute being handed to the Witness.*) What is the practice now with regard to the Ordnance; is money furnished as an imprest from the department who employ them, or do the Ordnance do the work, and then bring their bill for payment when they know exactly the sum required?—The Ordnance do the work and they pay for it out of their funds, and repayment is made by the department for which the work has been done.

2336. There is no advance made?—No, not generally.

2337. Not till the work is completed?—No; but I will give the Committee an instance where advances are made. The payments of the Greenwich pensioners are made by the War-office, and in that case advances are made because the amount is so large that it would be inconvenient for the War-office to disburse so large an amount.

2338. No alteration has been made as to the Ordnance?—No.

2339. What are the "Navy and Army Prize Accounts;" what account is that?—The navy prize account is an account opened in the Paymaster-general's books into which are carried all sums which the Paymaster-general is desired to receive, and out of which payments are made upon orders from the Admiralty.

2340. Is that in a separate account at the Bank?—No, only in the books of the Paymaster-general.

2341. What is the amount of that navy prize account?—£. 67,226.

2342. Do you know what the army prize account is?—A similar account as regards army prize money. The amount is 4,767 *l.*

2343. I see that the Act of the 11th & 12th of Victoria, chap. 55, sec. 7, speaks of the sum of 100,000 *l.* as being vested in the Funds for the army account; is that still vested?—At this moment there are only 57,102 *l.* 19 *s.* 10 *d.* in the 3 per Cents. on account of army prize money, vested in the names of the Paymaster-general for the time being and the Secretary-at-War.

2344. The difference of the sum arises, does it not, from payments to the Army?—The difference arises from the employment of a part of that fund for the enlargement and alteration of the Military Asylum, under Acts of Parliament.

2345. With regard to the navy prize money, that seems to be kept separate? Yes, in the books of the Paymaster-general, but not at the Bank.

2346. It used to be kept at the Bank of England separate, did it not?—Yes, it was.

2347. It is now kept in the Paymaster-general's hands, is it not?—Yes.

2348. It is a very small sum, is it not?—Not a very large one.

2349. Is this correct?—Yes, I conceive so.

2350. Should you say that it was consistent with what you think the Pay-office ought to do?—Yes; for it would greatly embarrass the operations of the Pay-office to have to open separate accounts at the Bank for the different funds for which it is the depository.

2351. Are there any other funds of that nature which you have at the Pay-office?—There are various miscellaneous funds which are in our hands for a time; the Board of Works, for instance, have various funds of that description; for instance, the Metropolitan Improvements General Account, Spitalfields Extension, the Menai and Conway Bridges, Pimlico Improvements, and Westminster

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New Bridge; but with the origin of those funds we are but imperfectly acquainted; we get an order from the department, for whom we act as bankers, to hold those monies and open separate accounts for them in our books; we have no control over them; a return which was put in by Mr. Anderson gives a list of them.

2352. Could you mark out those which are deposit funds, and not drawn from the Exchequer?—The whole of these are (*marking the same*).

2353. Can you furnish the Committee with an account up to the 31st of March of those deposit funds, and the sums total?—Yes, I will do so.

2354. Are the Committee to understand that those monies go into your general account?—Yes; but we are able to produce them at any moment.

2355. Sir *James Graham.*] With respect to the naval prize money, at the commencement of the Russian war an Act was passed with respect to that?—Yes.

2356. And the origin of that Act was the losses sustained by the captors by the failure of the agents?—I believe so.

2357. Was not it provided by that Act, that the prize money, from time to time, should be paid in to the public credit at the Bank of England, the captors having the benefit of public security, and the State having the usufruct of the money?—The Act in question distinctly provides for all prize money being paid to the account of the Paymaster-general.

2358. The agents used heretofore to have the interest of the money until the distribution?—Yes, that was so.

2359. The public now have the benefit of it, have they not?—Yes, that is so.

2360. That is provided, is it not, by the Act of Parliament?—Yes.

2361. The payment is direct from the Admiralty into the public credit, is it not?—Yes, it is; when a vessel is sold at any of the ports by the collector of Customs, it is paid direct into the account of the Paymaster-general, as directed by the Act.

2362. Do the public now enjoy the benefit which the agents heretofore enjoyed?—Yes, with the additional security to the captors of the money being held by Government.

2363. That Act contemplated the use of the money for the benefit of the public until payment is made to the captors, did it not?—I presume it did, inasmuch as money is not generally allowed to remain idle.

2364. That Act was very much opposed by the agents, was it not?—Very much.

2365. On account of the benefit to be transferred to the public from them?—Yes.

2366. Therefore the public derived a benefit, and the only parties losing were the navy agents?—Precisely so.

2367. *Chairman.*] Will you have the goodness to look at the page of the Act to which I was referring, and state whether that was not the Act which, in 1848, transferred the monies from the Bank to the Paymaster-general's fund; does that Act transfer the naval monies from the Bank of England to the Paymaster-general's hands?—Yes.

2368. That was in 1848?—Yes.

2369. Before the Russian war?—Yes, it transferred the account of the monies then standing to a separate account at the Bank, to the cash account of the Paymaster-general, but it did not prevent the operation of the subsequent Act of 1854.

2370. No; but the transfer took place in 1848?—Yes; what was then a separate account ceased to be so after the Act of 1848.

2371. Sir *James Graham.*] Will you look at that Act, the 17 & 18 Vict., c. 19 (*the Witness referred to the Act*); that is the last Act which directs the proceeds of the prize to be paid to the public credit?—Yes.

2372. And introduces new regulations?—It does.

2373. Mr. *Wilson.*] The Act of 1848 was for the purpose merely of transferring to the Paymaster certain monies standing to a separate account in the Bank of England to the naval prize money?—Exactly.

2374. It did nothing to regulate the further management of that naval prize money?—No.

2375. The Act of 1854 was for the purpose of the future regulation of the payment of prize money altogether?—Yes.

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2376. Instead of being paid to private agents for distribution, it was in future to be paid in to the Paymaster-general's hands as public monies?—Yes.

2377. It is under that last Act that the 67,000 *l.* to which reference has been made has accumulated?—Yes.

2378. The sales of old stores generally take place at the various out-stations under the direction of the Admiralty, do they not?—They do.

2379. Take an example; supposing at the Cape of Good Hope a sale of old stores, on behalf of the Admiralty, takes place, to the amount of 25,000 *l.*, the process would be, that that 25,000 *l.* would be received by the agent of the Admiralty upon the spot, and would be expended by him, for naval services, on the spot?—Yes.

2380. Then the next operation would be, that he would give credit in his account to the Admiralty at home for 25,000 *l.* as if for money received direct from the Admiralty for his expenditure?—Precisely.

2381. The Admiralty therefore would have that account for 25,000 *l.* which had been expended at the Cape of Good Hope, but for which money had not been sent there?—Yes.

2382. The way in which the Admiralty would account for it, would be to pay that 25,000*l.* in to the Exchequer?—Yes.

2383. Now as the Admiralty has no banking account at all; but as the Paymaster-general is the banker for the Admiralty, the only means which the Admiralty would have of making that payment, would be by directing the Paymaster-general to pay to the Exchequer 25,000*l.*?—So it appears to me; I can see no other way.

2384. When the Paymaster receives an order from the Admiralty to pay to the Exchequer 25,000 *l.*, the way in which he does it, is to debit the Admiralty account in his books with 25,000 *l.* and to make that transfer into the Exchequer?—Yes.

2385. So that in point of fact the 25,000 *l.* which was received on account of the Exchequer for the sale of old stores at the Cape of Good Hope, has by this transfer found its way into the Exchequer, without the transmission of a single shilling of money, and without the risk attending it, or any chance of mistake in its transmission?—That is exactly the course.

2386. Now suppose that the Admiralty were to order this 25,000 *l.* to be paid, instead of into the Exchequer, to the civil contingencies, or to any other purposes, the 25,000 *l.* being to be accounted for at the end of the quarter when the accounts are made up, would not the officer of the Audit Board who attends in the Admiralty, have to see that a balance was created for that 25,000 *l.* by a payment into the Exchequer?—Yes, he would.

2387. If the auditor at the Admiralty must receive from the Paymaster-general, at the end of every week, an account of all receipts and disbursements on account of the Admiralty, any misappropriation of that 25,000 *l.* would be immediately discovered?—It must be so.

2388. Would it not be within the knowledge of the officer of the Audit Board, to know that that 25,000*l.* must go into the Exchequer, and to no other account?—It would.

2389. If it were directed into any other account, he would have cognizance of it, and it would be his duty to report that fact to the Commissioners of Audit?—Yes, and he would do it immediately.

2390. Then if the Treasury were to give an order to the Paymaster-general to dispose of this 25,000 *l.* which he had received from the Admiralty, with a direction to pay it in to the Exchequer in any other way, if the paymaster were so neglectful of his duty as to obey that instruction, would it not immediately in the following month's account be discovered at the Admiralty, by the officer of the Audit Board?—It would.

2391. The misappropriation of that money would be known at the close of one month to the Commissioners of Audit, and whether that misappropriation had been made by the Admiralty themselves or by the Treasury?—It would.

2392. Mr. *James MacGregor.*] Do you mean that the 25,000 *l.* would be paid to the Comptroller-general's Exchequer account, or to the Paymaster-general's Exchequer account?—To the Exchequer account; we know of only one Exchequer account at the Bank.

2393. Mr. *Wilson.*] There is only one?—Only one.

2394. It

2394. It would be paid into the Exchequer, would it not, in the same way as the Customs Revenue?—Yes, but through the intervention of the Paymaster-general.

2395. And become a part of the monies applicable as ways and means?—Yes.

2396. Mr. *Williams.*] Has the Paymaster an account at the Bank?—Yes, he has four accounts at the Bank; first, a credit on the Exchequer, which is the Exchequer credit account, and he has a cash account for monies that come in, and he has two working accounts, the drawing account and the bill account.

2397. Mr. *Wilson.*] You furnish to the Audit Board a monthly account of all your transactions, do you not?—Yes, the whole of them.

2398. Suppose the Audit Board had had information that 25,000 *l.* had been sent to you on account of the Admiralty, to be paid into the Exchequer, would it be the duty of their audit clerk, even admitting that the immediate checks to which I have alluded have failed to discover that that 25,000 *l.* had not been appropriated as directed?—It would. As I have observed, it would be the duty of the Paymaster-general. Whether I ought to go so far as to say that he would refuse is another question, to represent to the Treasury the infraction of the law by any proceeding of that kind.

2399. If the Treasury instructed you to dispose of the Admiralty money, would you, as Paymaster, feel authorised to do so?—Not without remonstrance, particularly if it were done without the concurrence of the Admiralty.

2400. *Chairman.*] You are the Deputy Paymaster, are you not?—I am the Assistant Paymaster-general.

2401. Mr. *Wilson.*] If ever you have found a dispute between a department and the Audit Board, as to the appropriation of monies, and when reference has been, as must be the case, made to the Treasury for a decision, is it within your experience that the Treasury show a sympathy for the department, or for the Audit Board?—I think generally they support the Audit Board.

2402. Do you ever remember a case where the Treasury having been appealed to, have supported the department and not the Audit Board?—Within my time I think no case of that description has occurred.

2403. Do you remember many cases in which the Treasury have supported the Audit Board and not the department?—Yes, I remember several. The Audit Board are particularly careful in not making objections without good grounds.

2404. With reference to those large sums, the naval and military prize monies which are paid into the hands of the Paymaster by Act of Parliament, and various regulations, those monies do not in any way swell the balances at the command of the Paymaster, do they?—No; the military prize money is very inconsiderable.

2405. The Paymaster's account on which he operates is kept from day to day at the smallest amount, is it not?—Yes.

2406. Those monies being used for public purposes have the effect of saving and economising the monies in the Exchequer?—Yes.

2407. But for the use of those monies you would have had to draw from the Exchequer a sum of money equivalent to them?—Yes.

2408. Therefore the use of those monies in your hands is, in point of fact, a great saving and economy of the public monies of this country?—Very considerable.

2409. *Chairman.*] They are practically a loan, are they not?—Yes.

2410. Mr. *Cardwell.*] You have been asked whether the Treasury does not usually support the Audit Board against the departments. You have had, I dare say, no experience of any question of a political character, and therefore you do not undertake to say what the conduct of the Treasury might be if there was any political object in issue?—I cannot say.

2411. Mr. *Bouyer.*] Your experience relates to the routine of the ordinary business, and not to any extraordinary case?—To the routine of the ordinary business. I may add, in reference to a previous question, that I have known a case wherein the Treasury went with the Audit Board, and yet the department did not assent to the decision made.

2412. *Chairman.*] What case was that; what amount was involved?—It was not much; it was the principle that was contended for.

2413. Do not you remember that the Admiralty in that case pressed for some regulations to serve for their guidance?—I recollect a correspondence stating that there

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there was considerable difficulty (I think it was to that effect) in determining particular cases.

2414. The money was expended, was it not?—What use the Admiralty made of the money I cannot say; they carried it to the credit of the vote.

2415. It was a question whether a certain quantity of soil was to be taken up which would have cost more to remove than to give away; a party took it and did the work for less, having the use of that soil?—Yes; it was useful for building purposes.

2416. Did the Admiralty at all contend that they would in future follow that course?—I cannot recollect the particulars.

2417. You have stated that you remember a case in which, though the Treasury had given their opinion, yet the department proceeded against the opinion of the Treasury; will you have the goodness to recall to your mind whether the Admiralty Board did not say that it was not a very important question, and that they would obey any regulations that were laid down, if the Treasury would lay them down?—I do not bear the particulars in mind; but the fact is that the money was not paid into the Exchequer; it was carried to the credit of the vote against the opinion of the Treasury.

2418. Against the opinion of the Admiralty Board, did the Treasury give any opinion?—Yes, they concurred entirely in the view of the Audit Board, and I think that they went so far as to direct the Admiralty to pay it into the Exchequer, or in terms amounting to that, and the Admiralty did not pay the money into the Exchequer.

2419. Mr. *Bowyer.*] Therefore the Admiralty had their own way?—Yes.

2420. Mr. *Williams.*] You have stated, I think, that if money was paid into your department, on account of the navy, and you received an order from the Treasury to apply that money to another purpose, or a part of it, (the civil contingencies were mentioned,) that in such a case you would communicate the circumstance to the Admiralty, and if the Admiralty concurred with the order which you had received from the Treasury, would you then pay the money?—After having remonstrated against the order given, as being an application of naval monies to purposes for which they were not voted, and it is impossible for me to say what course would have been taken. I say distinctly that I should have reported to the Treasury and represented the irregularity of the proceeding, and have reported to the Admiralty the intention to apply the money. I think I could hardly go further.

2421. Suppose the Admiralty concurred in the order given by the Treasury, what course would your department have taken?—That is a question I can hardly answer. I think that the Paymaster-general would have fulfilled his duty to the full when he had represented to the Treasury the illegality of the proceeding, and to the Admiralty the course taken by the Treasury.

2422. Would your department pay the money under such circumstances as that both the departments, the Admiralty and the Treasury, concurred?—Had there been a conference between the two departments, and the Government had made a positive order upon the Paymaster-general to do so, I suppose he must have obeyed the order.

2423. Would you, in that case, communicate the circumstance to the Audit Board?—They would know it of their own knowledge.

2424. Mr. *Wilson.*] The Commissioners of Audit would not pass the accounts, and a report would be made to Parliament on the subject?—Yes.

2425. *Chairman.*] Do you mean to say that the Commissioners of Audit would not pass the accounts of the Paymaster?—I am speaking rather of the naval account.

2426. Would the Commissioners of Audit make any objection to the Paymaster's accounts on that ground?—I cannot say. The Paymaster-general's account, while I was in the Audit Office, never came under my observation; therefore the manner in which a case of this description would be dealt with I am not competent to speak to.

2427. Sir *Henry Willoughby.*] In point of fact, all the duties of the Paymaster-general are performed by deputy, are they not?—They are, generally speaking.

2428. Who is responsible?—I conceive that the Paymaster-general is responsible.

2429. Does he perform his functions through more than one deputy?—Yes, part of his functions; to one person alone he entrusts the general conduct of the business;

business; but the mode of operating upon the monies is confided to more than one person.

2430. Can you state to how many?—Yes. to five; and in this way: he gives to the Assistant Paymaster-general the power to write off from the Exchequer credit and cash accounts to his drawing and bill accounts, and to another person, in the absence of the Assistant Paymaster-general. Then he gives to three other persons who are paymasters the power of drawing upon the drawing account, and of accepting bills payable out of the bill account.

2431. Should the conduct of any of those five officers be wrong, is the Paymaster-general responsible?—I conceive he is.

2432. Do you consider that in any case the Paymaster-general, or those who act for him, has a right to refuse any payments?—Yes; in the case of an order not drawn up in accordance with the regulations laid down for that purpose, or at variance with the instructions of the Paymaster-general.

2433. What instructions do you refer to?—The instructions for the government of the Paymaster-general's office, more particularly those of December 1848. The description of authority under which payment is to be made is settled between the departments and the Treasury.

2434. But those forms being gone through, the Paymaster and his deputies are merely ministerial officers to make the payment?—Exactly. But nevertheless if the payment ordered were of an illegal character, it would be refused; and if the order emanated from the Treasury, a representation would be made to the Treasury on the subject.

2435. Your power of check, whatever it be, consists in making a representation in such a case?—I think it goes no further where the order emanates from the Treasury.

2436. *Chairman.*] You have read the memorandum by Lord Monteagle, which had been given in evidence, and which is attached to the papers, have you not?—I have.

2437. Lord Monteagle states that, according to the process to which he objects, payments may be made (first take No. 4) "For services for which no Exchequer warrant to the Bank of England has issued directing a credit to the Paymaster for this particular service or head of service;" can that be so according to the present practice?—Yes; it can.

2438. Is that a common case, or is it a rare case?—Does the question refer to the Exchequer warrant to the Bank?

2439. Yes?—It is quite common.

2440. No. 3. Payments may be made "For services respecting which no Royal Order, Treasury Warrant, and issuing letter have ever issued; or if issued, have never been sanctioned by the Exchequer as regular and conformable to law"; can that be done?—That is not done as a rule; I know of no exception.

2441. You think that it has never been done?—To my knowledge, not in my time; I remember indeed a case, wherein I refused to pay upon an order from the Commissioners of Works, because I was not satisfied that the Royal Order had issued, though I was satisfied that the grant had been made by the House of Commons. I sent and made inquiries; and it was not till after I had satisfied myself that the Royal Order had issued, that I paid it.

2442. Then payments may be made, No. 2, "For services for which no ways and means have been provided, and which cannot therefore be legally defrayed"; can that be done?—It is not done; no payment is made for anything but what has been voted, and for which ways and means have been provided; as to payments made under the authority of the Treasury, they would never issue an order without ways and means had been provided.

2443. That is not done?—No.

2444. "For services not voted by Parliament or sanctioned by statute"; can payments be made for that?—I am not aware of any payments that can be made of that description.

2445. Have payments ever been made, to your knowledge, of that description?—If the question has reference to monies which appertain to the departments, of course payments are made that are not voted by Parliament, otherwise my answer would be in the negative.

2446. That has never been done?—Not to my knowledge.

2447. Do you never advance for a service before a vote is taken?—No; because

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because I do not think that it has ever been necessary, so far as I recollect; of course if Parliament were late, I do not know what would be done. I am not aware of any instance.

2448. There has never been, to your recollection, an advance made before a vote has been agreed upon in Parliament?—Yes, there have been cases where the civil contingencies have been brought in aid.

2449. Then, technically speaking, the issue takes place out of the civil contingencies as an advance?—Yes, those are the only cases; in the other departments, the great services, it does not occur.

2450. Are there no cases in which advances have been made before the votes have actually passed?—I think not in my time, because Parliament has always assembled sufficiently early to vote a sum on account.*

2451. Has it not been done?—As a rule it is not done; but I recollect a case in which it was done. There is one case in which the Ordnance ran short, and though a supplemental estimate was before the House, before that could be passed, we were obliged to carry on the Ordnance service with the Army grants.

2452. That was a great service?—Yes; and in that particular year there was such an intermixture; it was the year in which the Ordnance was blended with the Army; there was an intermixture of money, and a transfer of votes from one department to the other, which obliged us to consider the whole as army monies.

2453. That was in what year?—That was very recently, when the Ordnance was blended with the Army, I think, last March 12 months.

2454. Then that would come into last year's expenditure, would it not?—Yes; there was enough money left to carry on an estimated number of days, in expectation that the vote would be reported by that time, but it was not quite ready by that time; there was a great deal of money owing to the Ordnance, and it was very uncertain whether they would or would not have sufficient; but that was an exceptional case; as a rule it is not done.

2455. Then you would have no difficulty in giving the Committee a return as to those three first items; they were advances made for services not voted by Parliament, or sanctioned by statute, and again, for services for which no means had been provided?—Any return that the Committee may call for I will do my best to make.

2456. The Committee have been informed that it is the practice to pay all charges out of your drawing account, and to set right any excess over the credits in the Exchequer in the course of the day; is it done in the course of the day, or when is it done?—It is not done in the course of the day, but occasionally when the necessity arises, always at the end of the month, and more frequently if necessary.

2457. Mr. Anderson, I think, said that it was done in the evening that different orders were sent, and that the next day the Exchequer credits were set right?—Yes, if the sum is considerable; but if it is small there may be no necessity for calling for a credit just at that moment; that is occasionally done when the sum is large and we require it, and always at the end of the month, to place all the services in credit as far as possible.

2458. Do you in the course of the same day go through this process of ascertaining how you have drawn upon the Exchequer credits, or not?—The credits are carried to account daily; therefore we know the precise position of the credits under each service we have to deal with.

2459. But you do not apply to the Treasury, as a matter of practice, till the next day?—No. Sometimes we may be able to foresee the necessity for calling for it, if the sum is large. For instance, supposing I received information of orders from the Admiralty which would probably come in for payment to the extent of 100,000 *l.*, and I hear nothing from any other quarter, and have therefore no reason to suppose that any other services will come in, I should simply

* On reviewing Lord Monteagle's memorandum, I find that the whole of my answers to Questions 2440 to 2450 were given under an erroneous impression of the whole subject. It did not occur to me that in all cases wherein payments had been made in excess or anticipation of a grant (which were not defrayed as advances from Civil Contingencies), the regulations adverted to by Lord Monteagle, viz., in regard to services not voted, for which no ways and means had been provided, and in respect of which no Royal Order, Treasury Warrant, or issuing letter had ever issued, had been infringed.

simply apply for a credit for 100,000 *l.* for Navy; in the course of the day, however, 90,000 *l.* only comes in for payment on account of the Navy. On the other hand, various small miscellaneous payments have come in, and been paid out of the 10,000 *l.* unclaimed; then, of course, with regard to that 10,000 *l.* I must put myself in funds, in order to meet the unsatisfied claims of the Navy. But if I had occasion to ask the next day for another naval credit, and the 10,000 *l.* was not likely to be wanted that day, I should not ask for credits simply to restore that sum at that moment.

2460. How long would it be outstanding?—That would depend entirely upon the amount of the credits and the necessity for drawing them; but at the end of the month they would be drawn out, for if we were to draw them all out when we did not require them, we should keep permanently a large balance; the object being to keep a low one.

2461. I do not quite see, when you have exceeded your credits, how that would affect your balance uncomfortably, if the next day you do what would set it right?—We might have more money than we wanted the next day.

2462. You clearly would not have more money upon that, because you have spent it?—Yes; but expected claims might not have come in, while cash might have accumulated.

2463. You might set the credits right the next day, might you not?—Certainly we could.

2464. It would only require an issuing letter from the Secretary of the Treasury?—Nothing more. This is the form in which we apply for the credits daily (*handing in the same*).

2465. You set it right at the end of the month?—Always; but frequently before.

2466. Do you do it at the end of a fortnight, or is it accidental, whether you do it till the end of the month comes?—It is accidental till the end of the month.

2467. It may happen that the thing is not set right in a particular vote till the end of the month?—It may be, if the sum is small and immaterial.

2468. There are some statements made by Lord Monteagle in his Appendix, with regard to certain charges upon the Consolidated Fund; he seems to be under the impression that certain salaries and charges are paid before any credit of the Comptroller is issued at all?—I have no recollection of it in my time.*

2469. You were in office in 1853, were you not?—No, not till 1854.

2470. You do not know whether this was so or not?—I cannot say without referring to the particular case alluded to.

2471. There would be no difficulty as to the charges upon the Consolidated Fund?—No.

2472. Do you think there would be any real difficulty in making a rule that those Exchequer credits should be set right, either the next day or the day after?—No; but I do not know what utility would attend it; if I drew out the whole of the naval credits and exhausted them, and took the next in succession, the result would be the same.

2473. Would there be any difficulty in doing that?—There would be no real difficulty.

2474. If Parliament said, "For one day you may issue beyond what you have for any particular credit, but set it right the next day," there would be no difficulty, would there?—No; we could do that, certainly.

2475. Do you contemplate any difficulty?—As I see it at present, I do not contemplate any difficulty.

2476. Your cash balances are never so large as to interfere very much with your payments, are they?—As I said before, as regards small sums I see no difficulty, in the case of large sums there might be.

2477. What is the amount of your cash balance?—It varies so much; we have hardly any control over it, and we cannot tell till the Bank books come up; we may find by the Bank book that a large amount has come in.

2478. Your cash account would not interfere with you?—The cash account I allude to is an account at the Bank.

2479. I thought it was composed of old stores and of monies repaid?—No.

2480. Of

* I was not aware at the time I made this answer that this has occurred.

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2480. Of what is it composed?—Of a variety of sums that are paid in; there are remittances through the East India Company from regiments in India, regimental funds, balances repaid by agents, repayments on account of the navy, and we have no knowledge of the amount until the Bank book comes up.

2481. What does the cash account ever amount to?—In 1855-6 it was 5,750,000 *l.*

2482. What is your maximum daily?—From memory I cannot say.

2483. Do you ever remember an occasion on which it was not exhausted in the course of the next day?—No, I do not remember; it is exhausted, and sometimes not.

2484. You are directed by both minutes to draw and to exhaust your cash account before you go to the Exchequer credit account?—Yes.

2485. Do you remember any case in which the cash account was not exhausted in the course of the day?—Not exhausted to a fraction, certainly. I do not consider the rule to be so stringent as that, because moneys may come in unexpectedly which we cannot well exhaust. I understand it to mean that we are to use the cash in preference to drawing credits from the Exchequer.

2486. It would not interfere with you if you could exhaust it in the next day?—Perhaps not, although it might in the case of an unexpected run upon us.

2487. Lord Monteagle made an allusion to an advance that was made for the purchase of certain lands, and he stated that it was extremely pressing, and that in consequence he went beyond what, probably, the law might justify, and that he procured a bill of indemnity to be inserted in the Appropriation Act; do you remember that?—I do not remember the particulars.

2488. Mr. *Wilson.*] Suppose your estimated expenditure to-morrow for the navy should be 250,000 *l.*, you request an Exchequer credit for that amount?—Yes.

2489. Suppose that the navy, instead of drawing 250,000 *l.* as you are told is probable, draws only 220,000 *l.*, and does not draw anything more for a week, it would be impossible for you to adjust that account until they required a further payment to be made; you could not return the money into the Exchequer, could you?—No; but I might apply it to other services.

2490. If you have an Exchequer credit to-day on behalf of the navy for 250,000 *l.*, and only 220,000 *l.* are really required to-morrow, you have no means of adjusting the account until the service for which it has been drawn requires payments to exhaust that credit?—Exactly so; I have not.

2491. If, on the other hand, the service requires 250,000 *l.*, and you draw to the amount of 260,000 *l.*, then you are 10,000 *l.* overdrawn, and that account you can readily adjust the following day?—Yes.

2492. So that, in point of fact, when you overdraw an account you can adjust it immediately, but where you have not spent the whole sum, you cannot adjust that balance until that same service requires a further payment?—Precisely; when overdrawn the account can be adjusted the next day, but when underdrawn not until further orders for payment come in.

2493. In the meantime all this makes no difference in your cash; whether you under-estimate or over-estimate there is no difference in your cash?—None.

2494. You draw no more money from the Exchequer in the one case than in the other, though you have obtained Exchequer credits for more than is required?—Yes, that is the case.

2495. Not a shilling is taken out of the Exchequer whatever the issues may be, but what is necessary for the public service?—That is our aim.

2496. It may be that you find payments made into your cash account from the East India Company, or advances made from one department to another, which places you in cash upon the cash account, which you had no means of anticipating?—That is so.

2497. Therefore, though you have provided to-day for the expenditure of to-morrow, it may turn out that not a shilling may be required?—Yes.

2498. Therefore it would be impossible to control your payments from day to day by means of Exchequer credits without leaving unnecessarily large balances on the cash account to the account of those various departments?—They would be unnecessarily large occasionally, certainly.

2499. But although you may exceed on one day, and those credits from day to

to day may not be exactly equivalent to the demands of the service, there is one rule, is there not, which you invariably follow, that you never, under any circumstances, exceed the vote of Parliament?—That is the rule.

2500. Until you have exceeded the vote of Parliament, up to the amount of that vote, you use the public monies for the public service in the way the most economical, keeping the smallest balances?—Exactly.

2501. You would conceive that the object of the appropriation audit is substantially and literally accomplished when the public monies are used in the most economical manner, and in such a way as that the vote cannot be exceeded in the course of the year?—Most certainly; because the use of that money for other purposes is not appropriation or application, in the sense in which Lord Monteagle appears to conceive it.

2502. With regard to the charges upon the Consolidated Fund, you are authorised to pay certain charges for judges' salaries, and other things, by Exchequer issues, as charges upon the Consolidated Fund?—Yes.

2503. Have you any means of knowing when those payments may be called for?—No; a certain number would be called for in the regular course.

2504. In the quarterly charges upon the Consolidated Fund, which are provided for in the close of the quarterly accounts, those charges have been provided for and are paid in the currency of the following quarter, at uncertain times?—Yes.

2505. It would be impossible, notwithstanding that the charge itself is a specific charge by Act of Parliament, if you were from day to day to make requisitions upon the Treasury for issues in respect of those payments, so as to secure an absolute amount of money in your hands, always exactly to meet the demands of the day?—Quite so.

2506. Of the sum of 30,000 *l.* issued to you for payments to-morrow as charges upon the Consolidated Fund, it may be that many of those payments may not be called for for five or six weeks to come?—Yes.

2507. But you must be always ready to pay them?—Yes, to pay them at the moment.

2508. Mr. *Williams.*] Do you keep an account of the different items of payments on account of each of the votes of Parliament?—Certainly.

2509. When the amount is paid up, would you refuse any application made beyond that amount?—Yes, we should; in all cases when we were aware of it.

2510. The Exchequer, you are aware, keeps a similar account?—Of credits; but the one that has just been alluded to as kept by the Paymaster-general is of payments. We are obliged, owing to the system of credits at the Exchequer, to keep two accounts under every head, one to record the credits, and the other the payments.

2511. That is, a debtor and creditor account?—Yes, but they are separate accounts, one relates to credits, the other to payments.

2512. If the payments were made to the full extent of the vote, you would then refuse any further payment, would you not?—Yes, so far as we have knowledge of it; but with regard to the three great services, which comprehend 50,000,000 *l.* out of 56,000,000 *l.*, we have no means of knowing whether the grants for a particular year are exhausted or not; that is, have been finally expended.

2513. How is it possible, unless you keep a correct account, that you can ascertain that the amount to be drawn on the vote of Parliament is exhausted?—That is done by the Commissioners of Audit, when they audit the accounts of those departments.

2514. How often do you send your accounts to the Commissioners of Audit?—Monthly. I have a statement here, showing that we had balances in the Exchequer, and service balances on our books, on respect of the Army, Navy, Commissariat, and Ordnance, on the 31st of March 1848, when all those four services had exceeded their grants, which will show the impossibility of having such a check at the Pay-office.

[*The following Paper was delivered in:*]

E. A. Hoffay, Esq.

23 June 1856.

EXCHEQUER and SERVICE BALANCES at the Credit of the respective Services on the 31st of March 1848, and Excesses upon the Aggregate Votes for each of those Services, as shown on the finally audited Accounts for the Year ended on that Day.

Excess as shown on the Final Accounts for 1847-8.		SERVICES.	Balances in the Exchequer.			Paymaster-General's Service Balances.		
£.	s.	d.		£.	s.	d.	£.	s.	d.
323,787	–	–	Navy - - - - -	357,286	19	7	40,802	9	–
119,950	–	–	Army - - - - -	207,284	4	7	436,170	17	8
65,525	–	–	Commissariat - - -						
35,386	–	–	Ordnance - - - -	190,383	–	–	5,876	16	3
544,648	–	–	£.	754,954	4	2	482,850	2	11

2515. If they exceeded their grants you would have made issues beyond the authority of Parliament?—No, not to our knowledge.

2516. Do not you consider that the votes of Parliament are to be regarded as they are to be found in the Appropriation Bill?—But there is an especial audit to check their appropriation. The Paymaster-general's account is a mere cash account. For instance, we may issue out of the grants of 1855-6 large sums on imprest, a portion of which may be expended in the following year, and brought into the account of the following year; on the other hand, there may be large sums expended abroad in 1856 which cannot be recorded as expenditure until after the termination of the year.

2517. You state that you send your accounts to the Audit department monthly; do they examine them soon after?—Yes, I presume so.

2518. Suppose, in the course of that month, you make payments to a large extent beyond the votes of Parliament, have you no check other than that which is furnished by the audit?—The check is in the department itself. There is an audit there from day to day under the Commissioners of Audit.

2519. Suppose, for instance, you take the Navy Estimates; there is a specific vote of Parliament for a general purpose; and supposing that the expenditure upon that particular vote is more than the amount, would you take the difference from any other vote where the amount may not be required to the full extent?—We should exercise no discretion as long as there were naval monies unissued; a vote may appear to us to have been exceeded, which upon "repayments" to its credit may be found in surplusage, and a vote which may appear to us in surplusage may be found to have been exceeded when the expenditure paid out of imprests is brought to account.

2520. But the imprest is included in the amount of the vote of Parliament?—Yes; but monies are not considered expended while they remain out on imprest. We have no check on the application of the grants by the department.

2521. You take no cognisance of that?—No; as long as we had funds appertaining to the department in the Exchequer we should pay.

2522. Supposing the vote for the navy is 6,000,000 *l.*, comprehending some 15 different items, you do not keep an account of the payments on account of each of those items, but you would pay up to the 6,000,000 *l.*, the amount of the vote of Parliament?—We keep it under the items as directed; we are simply bankers; every order is marked with the head of service to which we are to carry it; we exercise no discretion.

2523. Without any regard whether the amount of the particular vote is exceeded or not?—Certainly.

2524. Mr. *Bowyer.*] Have you any official means of knowing what the amount of each vote is?—Yes.

2525. You make no use of that as to control?—Not as regards the great departments. We might call them to account for having exceeded a particular vote,

vote, while a repayment for stores supplied to other departments might convert an apparent excess into a surplus.

2526. Then your knowledge of the votes of Parliament is of no use?—As regards the three great services none whatever.

2527. Sir *James Graham.*] The case put to you is, that the vote for the navy is 6,000,000 *l.*?—Yes.

2528. You are cognisant that 6,000,000 *l.* is the whole amount of the navy credit for the year?—Yes.

2529. Day by day they know the state of the drafts upon that naval credit in the Paymaster's office?—Yes.

2530. If at the end of six months you saw that the credits for the navy approached very nearly the whole amount for the year, the 6,000,000 *l.*, would you not make it known, both to the department and to the Treasury, that the credit was drawing nearly to a state of exhaustion long before the end of the year?—No; we cannot say that it is drawing to a state of exhaustion, as long as there was any money in the Exchequer belonging to the navy, we should answer their calls.

2531. My question is, whether, if at the end of six months the 6,000,000 *l.* granted by Parliament for the year is very nearly exhausted, and you know it, you would take any step upon that?—If there were no money in the Exchequer we could not continue to pay.

2532. If at the end of six months the supply for the year ran very low, but was not exhausted, would you not think it then your duty to call the attention of the Treasury, or of the naval department, to the state of the account?—No; because Parliament has placed an auditor in the department itself, who is cognisant of all the orders, and the issues, and the whole of their transactions, which the Paymaster-general is not.

2533. Mr. *Wilson.*] You are aware that the Treasury keep a daily account of the issues upon every vote?—Yes, they do.

2534. And are you not aware that it would be the duty of the Treasury, in the event to which the Right honourable Baronet adverted, if at the end of the six months the money was nearly exhausted, watching the state of those issues from day to day, to call the attention of the department to the fact?—They have done so.

2535. In the last year the Treasury did so upon repeated occasions, did they not?—Yes, within my knowledge they did.

2536. You are aware that in consequence of the Treasury doing so, the departments were obliged to overhaul their expenditure and estimates, and furnish supplemental estimates to Parliament?—Yes.

2537. Therefore that is the duty of the Treasury, as the controlling financial department, and not of the Pay-office; the Paymaster has no opportunity of knowing those facts better than the Treasury itself?—No.

2538. Mr. *Bowyer.*] You have nothing to do but to go on paying as long as the funds last?—As long as there are funds in the Exchequer.

2539. Mr. *Wilson.*] You are aware that at the Treasury a strict account is kept of all the votes of Parliament and of every issue upon each of those votes?—I am; a very complete account.

2540. From day to day, when you make demands upon the Treasury for issues upon the votes, those issues are made in reference to the state of the account as it exists in the Treasury?—Yes.

2541. If anything irregular took place in any of those departments, as to its issues or any unusual expenditure in reference to the period of the year, the Treasury would have cognizance of that, and it would be their duty to rectify any irregular proceedings of that kind?—Certainly, and from them it would come with some effect.

2542. You are the agent or the banker for all the departments, and you have to draw your resources by applications to the Treasury, which is cognisant of all those transactions and has more opportunity of judging, both of the policy of the expenditure and the details of those votes in relation to the expenditure, than you have?—A great deal more.

2543. There is no information which you have which the Treasury has not?—None.

2544. Sir *James Graham.*] When the navy wants money, what is the course that

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that the naval department take; what requisition do they make to the Treasury?—They make none to the Treasury.

2545. How do they get their money?—They make a monthly estimate of the monies which will probably be required, which is sent to the Paymaster-general, and by him laid before the Treasury.

2546. How is the Treasury kept informed of the daily expenditure of the department?—By credits which the Paymaster-general calls for; by the demands from day to day.

2547. Do you make a daily representation then to the Treasury of the credits demanded of you?—Yes; for the expected payments of the day.

2548. And they are posted against the department, are they not?—In the books of the Treasury, and in those of the Paymaster-general.

2549. They are posted in the books of the Treasury?—Yes.

2550. By the books, the Treasury directly day by day is informed accurately of the state of the cash account of the department?—Exactly; they are accurately informed of the gradual diminution of the votes.

2551. It is not only the theory, but it is the practice that the Treasury exercises a control upon such knowledge?—Yes, they do; and they have done it frequently of late.

2552. Mr. *Wilson.*] They did so very extensively last year, did they not?—Yes.

2553. *Chairman.*] You stated, did you not, that those credits for the navy included the expenditure for the other departments, and that having drawn a credit for the navy, it went into your paying account, and out of that you paid for anything that came in, and that you did not set it right sometimes until the end of the month?—Yes, that is so.

2554. How is that consistent with the Treasury knowing accurately what the expenditure for the navy is, if you are paying out of navy credits any other expenditure?—That credit is founded upon information received of the amount of orders actually issued.

2555. Suppose you draw 50,000*l.* for the navy, and you spend only 30,000*l.*, 20,000*l.* then remains unexpended for navy purposes, and you apply it according to your system to some other services; is not it true that while the navy has only spent during that week 30,000*l.*, the Treasury has an account stating that the expenditure for the navy is 50,000*l.*?—I do not suppose the money remains a week; a man generally comes for his money pretty quickly when he gets a bill at sight upon the Paymaster-general. I do not think that the money remains long.

2556. The Secretary of the Treasury put the supposition of your 30,000*l.* remaining uncalled for for a whole week?—Yes.

2557. That is not so, is it?—It is impossible to say what will remain uncalled for, nor how long.

2558. Mr. *Wilson.*] The question originally put to you was this—If the naval vote was six millions of money, and at the end of the half-year you discovered that nearly 6,000,000*l.* had been expended, that is, had been issued from the Exchequer on behalf of the navy, you considered it a part of your duty to inform the Treasury and the department. I understood you to say, that it was no part of your duty to do that, but that the Treasury, who also keep a distinct check upon the amounts issued, as against the votes of Parliament, from the Exchequer applicable to naval accounts, keep an account which would enable them to exercise that control over the department?—That is precisely so.

2559. As to the expenditure of the money in your hands, when once within the control of the navy it is impossible for any account to be actually made up of it until all the imprest accounts of foreign and home expenditure have been adjusted by the Audit-office, with regard to the actual distribution of that money?—It is quite impossible.

2560. Therefore the only thing which they can control at the time is to see that there is not a larger amount of money put at the disposal of the navy for which the naval authorities are responsible than that which Parliament has voted for the service?—Yes.

2561. When once under the control of the Admiralty, the Admiralty is responsible to the Audit Board for the use of the money, sooner or later, whether abroad or at home; by theory those accounts are closed some time after the end of the year, but it is impossible to adjust all those monies under the proper heads

heads of expenditure, is it not?—It is wholly impossible; the paper I have produced, I think, most clearly proves the impossibility of the Paymaster-general having any knowledge of the exact condition of the naval monies, as to their appropriation.

2562. When you said a little time ago that you take no notice of the votes of Parliament with regard to the Navy and Army; did you not mean that you take no notice of the separate votes of which their general grant was composed; but you do take notice, do you not, of the whole grant, and you would not under any circumstances issue money to the Army or Navy beyond the entire grant of Parliament for those services?—Certainly not.

2563. Therefore you do to that extent notice the votes of Parliament?—I must do that to draw the credits.

2564. But you do not exceed the whole grant?—No; there was however an exception to this rule in the case of the Ordnance, to which I have adverted, which was made under very peculiar circumstances.

2565. What you mean to say is, that as large portions of those moneys are issued upon imprests, it is impossible to distribute that expenditure under the separate heads of the votes, that is, you do not take notice of the individual votes?—That is so.

2566. *Chairman.*] You have put in a paper terminating on the 31st of March 1848; is it not the fact that, as regards the Navy, for many years before this there was an excess of expenditure over the estimate?—Yes; they were pretty much in the habit of exceeding their grants. I selected the year 1847–8, because all the great services were in excess that year.

2567. Up to 1848?—Yes.

2568. Sir *Henry Willoughby.*] Did you not state that if the vote for the navy was exhausted you would stop payment in the Pay-office?—Yes.

2569. Positively?—Yes, if there was no naval money in the Exchequer.

2570. You would not pay from any other balance that you might happen to have at command at that moment?—Certainly not.

2571. Under what authority would you come to that conclusion?—The instructions of the Treasury not to pay beyond the amount of the grants.

2572. From whom do you obtain the precise amount of the grants?—From the Appropriation Act.

2573. That is your authority, not any orders from the Treasury?—Yes.

2574. You stated, did you not, that the Paymaster-general does not know at any given time the actual amount of the balance on the cash account?—Yes, on the cash account at the Bank of England.

2575. You stated, did you not, that you had some difficulty in knowing what amount of Exchequer credit you would want?—Yes; because the Bank book showing the moneys paid to the cash account of the Paymaster at the Bank of England arrives too late in the day to be made use of in the morning of the same day.

2576. Does the difficulty only extend to a day?—Sometimes to two days.

2577. Can you suggest any mode by which the Pay-office could be made better acquainted with the amount of that balance than under the existing mode?—No; it is made as correctly and as quickly acquainted with it as it is possible.

2578. I understood you to say that if 100,000 *l.* stood to the credit of the navy, and the navy only wanted 90,000 *l.*, you without any hesitation would expend the 10,000 *l.* on any other service?—Yes.

2579. Can you state to what amount that variation might extend within a month?—No; I cannot state that.

2580. Might it be a very considerable amount in the course of a month?—It might.

2581. Might it extend to half a million?—No, we should ask for credits to restore the equilibrium long before that. The Navy, Army and Ordnance send daily information of their orders of payment for the following day; the Board of Works also and Civil Services generally, come upon us unexpectedly and can rarely be foreseen.

2582. Having made those payments which you have described for other purposes where there is a sudden demand, how are those entered in your account books?—They are entered as final payments against the different heads of service.

2583. Does it appear in those books that you have no credit for those services?

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vices?—It will appear in the separate credit accounts that are kept, but not in the service accounts; there are two accounts kept, one for the purpose of recording the credits, and the other for the purpose of recording the payments.

2584. Therefore, to a certain extent, one of the systems of account is temporary; there are two sets of account kept?—Yes; the specific credit system obliges us to keep two distinct sets, one to show how the vote is going in credits, and the other to show how it is going in expenditure.

2585. When is that finally recorded?—Day by day as the credits are drawn or the payments made.

2586. Mr. *Wilson.*] In no case, though you have money over on one head, would you pay it for a service which had not a credit either in the Exchequer, or in your books?—Which had not a credit in the Exchequer, or in our books.

2587. In no case would you pay that money which was over for a particular service on a particular day, for anything which had not a credit in the Exchequer?—Exactly.

2588. Which you would not be entitled to ask for till the following day?—No.

2589. You would only be prevented from asking for an issue for that money, if you had other moneys in hand, which rendered it unnecessary that you should take more money out of the Exchequer?—Yes; if I had a large sum that came in the day before. I should not ask for a credit.

2590. Mr. *Cardwell.*] The balance in the hands of the Comptroller-general in the Bank of England, and the balance of your cash account in the Bank of England, are both public balances, lying without interest in the Bank, are they not?—Yes, without being productive.

2591. The present practice of your office, under the instructions from the Treasury, is always to feed your drawing and your bill account from your cash account, as far as it will go, before drawing upon the Exchequer credit account?—Yes.

2592. But, in point of fact, that is only a matter of account, and not a matter of money or of interest; if you were to feed both your drawing account and your bill account exclusively from the Exchequer credit account, and let the payments go from your cash account into the Exchequer, that would not increase the total amount of the public balance, nor cause any loss of interest?—If I am correctly informed there are certain periods of the year when the Bank make advances on deficiency bills; of course, it is a great object to pay those bills off, because they bear interest, and they are paid off with the amount at the credit of the Exchequer; and it is desirable to leave as large a sum as possible for that purpose in the Exchequer.

2593. If the balance of your cash account, instead of going to feed your drawing account and your bill account, were paid as rapidly as possible to the Comptroller's account, that would produce the same effect as to the deficiency bills, would it not?—It might be paid to the Comptroller's account.

2594. To adopt that course would not be to increase the balance that the public would require to keep, nor the amount of interest that they would have to pay?—No; but it would just to that extent increase the amount drawn from the Exchequer; there would be nothing gained.

2595. Would there not be this gained, that everything you expended for the services would pass through one channel, and be subject to one Parliamentary contract?—Yes, but there is great convenience in having a little cash at command.

2596. Mr. *Wilson.*] The payments which are made into your cash account are altogether repayments of advances, which have been made from one department to another, but they are repayments of monies which have been advanced by departments for services, say to the East India Company, which are repaid to them; those monies, therefore, belong to the departments; they have already been drawn from the Exchequer, and they form a part of the votes for that year belonging to those departments, do they not?—Certainly; it did not occur to me that a large portion of it does not appertain to the Exchequer.

2597. If therefore the advances were paid back into the Exchequer they would, to that amount, diminish the vote which Parliament had given to that department for the year's service?—Yes; and it might prevent that department from carrying on the service for which their vote had been taken.

2598. Suppose the Navy had granted to it 6,000,000 *l.* for a year, and that 1,000,000 *l.* of that money had been advanced to services outside the public

services,

services, which would be repaid to the cash account when those repayments took place, if they were repaid to the Exchequer, it would to that extent diminish the naval services of the year to 5,000,000 *l.* instead of 6,000,000 *l.*? —Yes.

2599. In all cases where receipts are paid to the cash account, which are not in the character of advances from public services, which have already come out of the Exchequer under the votes, they are paid back into the Exchequer?—Yes.

2600. Then all original receipts which do not belong to any particular department go back to the Exchequer?—Yes.

2601. The distinction is, that any repayments of monies which have already come out of the Exchequer as a part of the vote for the year for a department, and which have been advanced to other services, and are repaid from a part of the monies belonging to that service, and cannot go back into the Exchequer without diminishing the votes of that department, whereas in all cases where the original receipts form no part of the votes of that year, and shall come into the hands of the departments, they are paid into the Exchequer?—Yes.

2602. Mr. *Chancellor of the Exchequer.*] If a rule were laid down that the repayments of advances out of a vote were to be paid into the Exchequer, would it not be necessary to permit the department to draw an equal sum in excess of their vote, to set their vote straight?—Yes; or else to take an additional sum for that purpose.

2603. Suppose that the Army department issued 100,000 *l.* on account of the East India Company, and the East India Company repaid that 100,000 *l.* in the course of the year, if that sum were paid into the Exchequer, instead of being paid to the cash account of the Paymaster-general, the vote of the department would be short by 100,000 *l.* according to the present law?—Yes.

2604. If, therefore, that practice were established, would it not be necessary to allow the department to draw out of the Exchequer an equivalent sum in excess of their vote in order to adjust their account?—Yes, certainly, to enable them to carry on the service.

2605. That change would resolve itself into a different mode of keeping accounts, would it not?—Yes, altogether.

2606. Mr. *Bowyer.*] If the repayments were made into the Exchequer instead of to the Paymaster-general, thereby diminishing the amount of the vote for the particular service, would not that repayment be re-issued again to make up the amount of the vote?—No, not under the present law.

2607. Could not that be so?—No; when once paid into the Exchequer it would be made available as ways and means.

2608. The Secretary of the Treasury has suggested that if those repayments were paid into the Exchequer, instead of being paid to the Paymaster-general, the effect would be that the amount of the vote for the particular service to which the repayment belongs would be so far short in the books of the Paymaster-general?—Yes.

2609. Then I ask you whether that must not be remedied by a re-issue of that repayment from the Exchequer to make up the amount of the vote?—Of course that might be provided for under a new regulation.

2610. Do not you see any inconvenience in such a re-issue of the repayments from the Exchequer?—I cannot see the advantage.

2611. Would it not be more regular?—I think not. When you are entitled to have the repayment carried to the credit of your vote, why should you pay it into the Exchequer for the purpose of being taken out again.

2612. Mr. *Wilson.*] At the present moment, the function of the Comptroller of the Exchequer is to see that the votes of Parliament are not exceeded; but if that function were to be disturbed during a whole year by the uncertainty of the amount of the payments from different departments, there would be no distinct function, and it would not be defined, as it is now?—Precisely.

2613. Mr. *Bowyer.*] Do not you consider that such repayments are in point of substance, though not technically so, revenue, and therefore properly payable into the Exchequer, and not to the Paymaster-general?—I do not consider them revenue.

2614. Mr. *Chancellor of the Exchequer.*] On the other hand, does not it appear to you that if the repayments of advances were made into the Exchequer, such a system would falsify the statement of the annual revenue and expenditure, and make it much larger than it really was?—Certainly.

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2615. Supposing the advances out of the votes for a particular year were 500,000 *l.*, and the repayments of those advances fell due in the year, would it not make it appear as if the revenue and expenditure were both half a million greater than they were?—Yes; it would increase it on both sides to that extent.

2616. For instance, if the Government made an advance of 100,000 *l.* on behalf of the East India Company, and received the repayment of it within the year, would that be fairly considered as the revenue and expenditure of the Government?—No.

2617. Mr. *Bowyer.*] Supposing under a new regulation the repayments were paid into the Exchequer instead of being made to the Paymaster-general, would it not, if the books were properly kept, appear in the books of the Exchequer that they were repayments?—It might be so noted, certainly.

2618. If so, would not the objection made by the Chancellor of the Exchequer, that the revenue and expenditure would appear greater than they really were, be answered?—You might, of course, exhibit such transactions in such manner as to exclude them from revenue and expenditure.

2619. Mr. *Chancellor of the Exchequer.*] If the present system of considering payments into the Exchequer as payments towards the ways and means of the year were followed, that practice would not be consistent with the present system?—It would be quite at variance with it.

2620. In order to adjust the present practice to the plan of making the repayments into the Exchequer, it would be necessary, would it not, to introduce a special exception to meet that particular case?—Undoubtedly.

2621. Mr. *Williams.*] Are there instances of votes of Parliament to public departments exceeding the amount of the expenditure?—There are.

2622. Supposing, for instance, the vote for the Navy to be 6,000,000 *l.*, and only 5½ millions expended, are there such instances?—Yes; that would be the case of a surplus surrendered and given up in aid of ways and means.

2623. To whom is it given up from your department?—It is given up to the Exchequer.

2624. In what form is the declaration made, or does it come before Parliament?—The surplus is declared on the face of the audited account laid before Parliament.

2625. How have they been dealt with; how have they been surrendered to the public; can you state the form?—The Treasury direct the Comptroller-general of the Exchequer to withdraw the amount from the naval balances in his hands, and a transfer entry is made in the Paymaster-general's books, debiting Navy services and crediting the Exchequer.

2626. Is it surrendered into the Exchequer?—It is.

2627. How is it taken out again?—It remains at the disposal of the Committee of Ways and Means.

2628. Is it accounted for to Parliament in any form?—It appears in the finance accounts.

2629. Mr. *Hankey.*] You stated, did you not, that the only means you had of ascertaining what the amount sanctioned by Parliament was, was from the Appropriation Act?—I did.

2630. As the Appropriation Act is not made up till the close of the session, there must be a great deal of expenditure going on which you are called upon to make before that Appropriation Act is passed?—Yes; but I should have added, that when the vote is reported, we consider the grant made.

2631. Then you would consider the votes of Parliament in the same light as an Appropriation Act?—Yes.

2632. *Chairman.*] Every Ways and Means Act authorises the ways and means to be applied to any sum granted by Parliament?—Yes.

2633. Mr. *Bowyer.*] You have been asked whether those repayments, if made into the Exchequer, would not make the Comptroller of the Exchequer a public accountant; will you state why those repayments into the Exchequer would make the Comptroller of the Exchequer a public accountant, more than the payments of the revenue departments into the Exchequer make him a public accountant?—I really cannot answer the question in what way it might affect the Comptroller of the Exchequer.

2634. There is no distinction, is there?—I cannot say that I see any distinction.

2635. *Chairman.*]

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2635. *Chairman.*] You were at the Audit-office, at the head of what is called the Appropriation Audit, for some time?—Yes.

2636. I observe that in some papers which were given in and published upon the Commissariat accounts, you have given an account with regard to those appropriation audits. You state, "The problem of effectually checking the proceedings of the large administrative departments is still to be solved, and as its solution involves a total change in our system of accountability and our existing institutions, I suppose we are not prepared to take the leap." Will you explain what are the imperfections in the checking of the proceedings of the large departments, and what you mean by the change that is required to carry it into effect?—One of the imperfections is, that the system of appropriation audit extends only over a portion of the supply services, it should be made to comprehend the whole of the civil services. Secondly, That the account now laid before Parliament, under the Act of the 9 & 10 Vict., c. 92, is too concise. There is a detailed account presented to the House under a Treasury Minute of January 1846, which is very much in detail; and I think that an account, something between the two, giving a little more explanation than is now given in the abstract account, and accompanied by a balance sheet, which does accompany the detailed account, and which shows the assets and liabilities of the department at the close of the year, would give the auditors a greater field for observation, and would enable them to bring before Parliament many points which at present they cannot bring forward. They are not at liberty to address a department on any subject arising out of the detailed account, that being examined on behalf of the Treasury; although they may address the Treasury, and the Treasury may address the department; but I would give them a greater freedom of action in making their observations upon a somewhat more detailed account than the account which is rendered under the 9th and 10th Vict. c. 92. To show the Committee the importance of a balance sheet such as I have described, I would request permission to read the opinion of a Committee of Inquiry into the system of Account and Audit in the Ordnance department, composed of Sir William Herries, Mr. Brooksbank, Mr. Thomas, and Mr. Anderson on this subject. In this report, which is dated the 6th of December 1845, they state, "It should be recollected that the naval and military expenditure is conducted, in every part of the world, through the agency of little short of 2,000 different sub-accountants, and that the accounts are so intermixed with those of other public departments that no statement of such extended transactions can be considered complete which is not supported by a balance sheet. A few remarks on one or two items of the army balance sheet for 1843-4 will clearly explain how essential such a document is as a corroboration of the accuracy of the balance declared on the annual account, and of the legitimate employment of the army funds. On reference to the document in question, it will be seen that the expenditure, in the year 1843-4, for land forces, amounted to 3,556,018 *l.* 4 *s.* 9 *d.*; of this sum the proportion defrayed in the colonies, out of advances on credit to paymasters and others, from the Commissariat Chests, amounted to 1,043,395 *l.* 7 *s.* 4 *d.* In the absence of any statement explanatory of the balance of the account, there would be nothing to show whether these temporary loans or advances out of other funds for army services abroad, the expenditure of which had been included in the account, had been repaid or not. The whole might remain an unliquidated debt in the War-office books, and thus facilities might be afforded of employing the balance of army monies for purposes not sanctioned by Parliament. Another item of the balances will completely exemplify this. The balance unappropriated out of the army grants for the year 1843-4, was 512,011 *l.* 17 *s.* 6 *d.* It might be considered that this amount, being a surplus of grants after defraying all charges for the year 1843-4, could at once be given up to the Treasury; but the explanatory statement of the balances, shows that a sum of 513,700 *l.* 15 *s.* 1 *d.* had been advanced out of army grants, to pay services on account of the East India Company, to 31st March 1844, and that the Company remained indebted to the army funds in a balance exceeding the surplus for which the War-office was accountable to the Treasury; and, consequently, that the unappropriated balance of the account for the year 1843-4 could not be given up to the Treasury until the East India Company had liquidated their debt to the army funds." It is such a statement as this that ought to be appended to the account laid before Parliament under the Act. I admit that the detailed account

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2637. What account are you alluding to, as the detailed account?—This is the one (*handing in the same*). It contains a balance sheet, showing the monies owing to the army, and the monies owing by the navy, and in what way their money has been employed.

2638. You say that "the problem of effectually checking the proceedings of the large administrative departments is still to be solved." You mean the Army, Navy, and Ordnance, do you not?—Yes; and it might be effected by means of an account which shall give the Audit Board an opportunity or commenting more fully on the proceedings of the departments.

2639. Whatever check the Audit Board exercise by bringing the matter under the consideration of Parliament, they have no power whatever of disallowing any item?—None whatever; you can do no more than that; you cannot check an administrative department in any other way, for you would impede its liberty of action, or you would weaken the responsibility of Government to Parliament.

2640. Do you consider that the appropriation audit is a correct audit, or is it a Parliamentary check?—It is more of a Parliamentary check.

2641. What does the officer really do?—He does not question the propriety of the expenditure; but every voucher passes through his hands, and he satisfies himself that it has undergone examination according to the rules of the department, that it has passed through the various stages, and is properly authenticated; he questions the expenditure in no way whatsoever; he then sees that it is carried to the proper head, and traces it through the various books, to its final resting-place in the general account. He would not allow a sum to be paid to a contractor on account unless for a *bonâ fide* service performed, or stores delivered, because it might be done with the view of absorbing a surplus.

2642. That is something more than putting it under its proper head?—Yes, because there is a special clause in the Act forbidding any of the departments to charge to their grants anything but final payments.

2643. In case the expenditure contemplated in the Estimates has been delayed over the 1st of April, the greater part of the expenditure having been incurred, would it be improper for a department to make a payment on account, equal to the work done?—No; unless it should cause an excess on the grant.

2644. But in some cases it might be, for example, the building of engines?—I remember a case where there were large instalments paid which were not due under the terms of the contract, and therefore not obligatory.

2645. In that case had not the expenditure been actually incurred, though probably the sum might have been postponed?—Yes; but it caused an excess on the grants.

2646. Is it not rather the habit of the department to postpone the payment till the next year than to pay it beforehand?—That depends upon circumstances, but then they have to get it revoted, which they do not like. As the grants are made for sums which will come in course of payment in the year, it is the duty of the auditor to see that no expenditure which should appear in the account for the year is postponed.

2647. There is no doubt great power in the department for adjusting such a matter?—Very great.

2648. Do you think that there are any means by which there could be new checks and rules laid down for the guidance of the department and Audit-office?—I think that if the accounts rendered under the Act 9 & 10 Vict. c. 92 were more detailed; the auditors would be enabled to do justice to the subject with the powers they possess; at present they cannot address the departments on points arising out of the detailed accounts.

2649. Is that account which is furnished in detail to the Treasury, accompanied with the observations of the Audit-office?—No, it is not; but I must say that, as far as I recollect, they have been unimportant.

2650. What is the advantage of publishing those observations if they are not of great importance?—They have been of sufficient importance to note to the Treasury.

2651. So far as it goes that is sufficient, you think?—Yes; but I would have a somewhat more detailed account rendered to Parliament under the Act.

2652. Their

2652. Their power is sufficient, but the account rendered to Parliament is not in sufficient detail?—Yes, I think their power is sufficient. Any greater powers might interfere with the functions of the department.

2653. You stated that it "involves a total change in our system of accountability and our existing institutions;" that contemplates very considerable alterations, does it not?—It does. If you bring the whole of the civil services under a well organised system of audit, I certainly see no use for the Exchequer check. As regards the grants for the Miscellaneous Services and Civil Contingencies, I would have the Paymaster-general relieved of the duty of checking the expenditure of the votes, which, after all, he can do but very imperfectly; he should simply furnish the Treasury with daily returns of his payments under each separate head of service, which would afford the Treasury the means of laying an audited account of the expenditure of the miscellaneous grants before Parliament.

2654. Would you have one of the audit officials in the Paymaster's office, as in the other offices?—Not in the Paymaster's office, for that would be useless, but I would have him at the Treasury, where he should check the first credit given.

2655. Mr. *Chancellor of the Exchequer.*] Your meaning is, that there should be an audit at the Treasury for the miscellaneous services, similar to that which exists at the Admiralty for the navy services, and at the War department for the army services?—Precisely.

2656. *Chairman.*] How would that be, because the greater part of the miscellaneous estimates are not expended at all in connexion with the Treasury, and the order does not go out from the Treasury?—The order does not in all cases go out from the Treasury, certainly; but arrangements might be made to meet this difficulty.

2657. What would be the advantage of having the miscellaneous services audited in detail by the Treasury, rather than by the Audit-office?—They are not at present audited by the Audit-office.

2658. Suppose you had a detailed audit of those services, would that be better conducted by the Treasury than by the Audit-office?—No; but it should be conducted by the Audit-office, at the Treasury.

2659. You mean that just as at the present moment you have an audit officer at the Admiralty as to the appropriation audit, there ought to be a similar officer at the Treasury as to the miscellaneous estimates?—Yes, exactly so; at the Treasury.

2660. How would that check the expenditure of the Home-office?—It would keep it within the grant at all events.

2661. I do not understand why it should be at the Treasury; the Treasury do nothing with reference to the expenditure of the Home-office vote, except grant the credit?—No, they do not; but you would have an effectual check upon the credits at least.

2662. So far as that is concerned, it might be so, but you do not know how it is expended in any shape at the Treasury?—No, you do not; but the Treasury could procure whatever information the auditor might require.

2663. There is no possibility of transferring one expenditure to the wrong vote at the Home-office?—No; there is only one in all those offices.

2664. You might do that at the Pay-office, might you not?—No, we know nothing beyond the order to pay.

2665. But there can be no possibility of doing it at the Home-office?—No, not at the Home-office.

2666. I do not quite understand why you would put your check at the Treasury?—Because the Treasury has more or less a controlling action over much of the expenditure under the Miscellaneous votes; and we should thereby extend the audit check to the issue of all credits, which would relieve the Paymaster-general from a duty which he can only do very imperfectly.

2667. You would get rid of the Exchequer and place the whole of the expenditure under the Appropriation Audit?—Yes, the whole.

2668. From what would you relieve the Paymaster?—I would relieve him from the duty of watching the expenditure of the votes. He should keep an account of the expenditure under each vote certainly, but I would have but one cash credit given to him, and not special credits for each service.

2669. After all, that comes to what is done now, does it not?—Not exactly; we

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we are obliged to watch the votes as regards the credits; we should be relieved of that.

2670. You keep an account, do you not?—Yes, we keep it very strictly.

2671. You do not keep within your credits?—Yes, we do, very strictly keep within our credits.

2672. Not within your Exchequer credits?—Yes, we keep within our Exchequer credits; we never pay beyond them.

2673. Mr. *Hankey.*] But the whole of the expenditure on any Exchequer credit has never exceeded the total amount granted by Parliament?—No, but in some few cases, where the grant has been overdrawn, the expenditure has, of course, exceeded the credits.

2674. *Chairman.*] You would propose that there should be the power of drawing, and the only check upon the Paymaster would be the whole amount of the vote?—The check upon the Paymaster should be simply a check upon the expenditure of the monies placed in his hands for general purposes.

2675. You would not allow him to draw upon the whole?—No, he should lay before the Treasury a daily estimate of his wants.

2676. You are not of opinion, are you, that the Treasury does not require looking after like every other department?—Certainly not, for I propose that there should be an auditor at the Treasury.

2677. Therefore you think that this would be strict enough?—I do.

2678. With regard to the present services which are under this audit, suppose that now a misappropriation were to take place, when would Parliament become cognizant of it?—In that respect I would propose making the audit more complete. Even as it is, I am not sure whether such a case would not come before Parliament before the account was presented.

2679. But how would it come out in the regular course of business before Parliament?—Not before the account was laid before Parliament.

2680. When would that be?—The Navy Account, eight months after the termination of the year.

2681. It would not appear this year if it was done at this present moment?—No; eight months after the termination of the year.

2682. It would not appear during any part of the Session next year?—No, not till the end of the year; with regard to the army and ordnance, the term is 12 months.

2683. Suppose it were done now, when would it be laid before Parliament, Parliament being sitting?—Not till the end of the next year.

2684. Mr. *Chancellor of the Exchequer.*] Eight months from April next?—Yes, in the case of the navy.

2685. *Chairman.*] If Parliament happens to be sitting no doubt it would be in eight months, but as Parliament does not sit that time it would probably be two years before last January, before it would come actually before Parliament?—Yes.

2686. Could you suggest anything to get rid of that difficulty?—Yes; that the Board of Audit should report from time to time to the Treasury, and that the Treasury should lay those reports before the House.

2687. With regard to a complaint against the Treasury itself, you would then make the Treasury themselves the judges as to whether they would lay that complaint before Parliament or not?—There would be some difficulty in arranging this point, certainly.

2688. Mr. *Chancellor of the Exchequer.*] You might make it imperative by Act of Parliament, might you not?—Yes, that would meet the case at once. Adverting to the suggestion I have made in regard to an audited account of the Miscellaneous Services, and to the propriety of relieving the Paymaster-general from the necessity of keeping duplicate accounts with all the votes, which the present system of Exchequer credits involves, I beg permission to hand in a letter which was addressed by the Bank of England, on the 8th of February 1849, to the Treasury (*the same was delivered in*) which shows how greatly the present system of special Exchequer credits interferes with the simple working of the Bank business.

Vide Appendix.

2689. *Chairman.*] Do you mean to say that the Pay-office is to keep no account of the credits given to it either from the Exchequer or the Treasury, or from wherever it may come upon the separate votes?—Exactly; my view is that it

it should not have to keep an account of credits under each separate vote, but receive one cash credit for all the services, and that at the end of each day it should furnish a statement, showing the application of that credit under every head of service.

2690. You would have merely an issue for general purposes?—Yes.

2691. You could make up the statement at the end of the day?—Yes.

2692. At the end of the day you would send it to the Treasury?—Yes, or the following day.

2693. The account would be transferred to the Treasury, and they would keep it instead of the Pay-office?—Exactly. The Treasury would be furnished with a return of the Paymaster-general's payments for Navy, Army, and Miscellaneous Services.

2694. But the Treasury must keep account for them all if they order an issue of money for general purposes?—It does so now.

2695. The Treasury must keep some account of how the expenditure of the separate votes is going on?—Yes, and it does so now; it must be kept, but I would relieve the Paymaster-general of that duty, and have it kept and audited at the Treasury.

2696. You would have nobody but the Treasury to keep that account?—The Treasury alone should keep it.

2697. With regard to the issue of money, how would you issue it, and how would you check it?—The Paymaster-general could have a credit given to him at the Bank by the Treasury.

2698. Who is to keep the vote separate?—That would be done at the Treasury; it is done now. I think the Treasury officers would explain the machinery there better than I can.

2699. At the present moment it is the Exchequer that prevents money being issued beyond the vote; where would you place that check?—In the auditors.

2700. You would authorise the auditors to issue money, would you?—No; to check the books of the Treasury.

2701. Two years afterwards?—No, day by day; I would have an officer stationed at the Treasury to see the order, and to see the posting of it in the books, so as to watch the progress of the issues.

2702. According to the present arrangement an officer of the Audit-office has no power whatever to say no; all that he can do is to take a note?—All that he can do is to represent the facts.

2703. If any order was to go from the Treasury, the audit would be no check upon it; all that they would do would be to note anything that was wrong?—I think that that would be a considerable check.

2704. Yes, but that is an after-check; do you contemplate any previous check?—You could have an immediate report to Parliament as to any matter of importance.

2705. If Parliament was sitting; but if Parliament was not sitting, it might go on till Parliament sat again; supposing Parliament were dissolved, the question being whether money was properly, or not, issued, how would that be checked?—It might certainly be difficult to provide for this case.

2706. Mr. *Bowyer.*] During every six months if Parliament were sitting, where would the check be?—It would still reside in the auditors, as the parties to report the improper order, although they might not be able to bring the case before Parliament until it sat again.

2707. Putting a case, which is not a special case, of a ministry who wanted to dissolve Parliament and get a majority, having no funds at their disposal; you would, as far as I can understand, exercise the check when Parliament meets, they having got their majority and got what they wanted?—This is certainly a case which an after check would not meet; but it is perhaps the only case in which the Exchequer check can be applied in its full force.

2708. The Exchequer is inoperative?—Yes, to a great extent. I think it is generally admitted that, as regards the large services, the Exchequer is inoperative; and that it knows no more than the Paymaster-general does when the grants for a particular year have been expended.

2709. Mr. *Williams.*] You have expressed your opinion that the Miscellaneous Estimates should be duly audited at the Treasury; do not you think it would be much more satisfactory if the audit were to take place at the Audit-office?—It could not take place at the Audit-office, any more than it can take place at the Audit-office in respect of the Navy, Army, and Ordnance, because the documents showing

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showing the propriety of any charge being made against any particular grant, are not at the Audit-office, but in the Navy and the Army departments.

2710. Are you aware in what manner the gentlemen belonging to the Audit-office, who audit the accounts in those different departments, make their reports to the Audit-office?—Yes; they bring in writing before the Board of Audit the various observations which they have had occasion to make, and the Board consider them, and if they see that they are based upon sufficient grounds, they call upon the department for explanation.

2711. No further explanation is given at the Audit-office than what is founded upon the report of the person who is at the department?—None other; but every entry in the journal altering an original one is submitted to the Board. Occasionally the officer superintending the appropriation audit will point out objections to entries in the primary books, which, if attended to, are not carried before the Board.

2712. There is no inquiry taking place at the Audit-office as to those accounts?—No; only upon matters brought before the Board by the superintending officer, or arising out of the examination of the journal entries adverted to.

2713. Mr. *Bowyer.*] Do you think that the audit at the Treasury is as safe as the audit according to the French system, by an independent department?—The audit at the Treasury would be by an independent department. I believe that the Board of Audit have always maintained their independence.

2714. Sir *James Graham.*] That account to which you have referred, as to the naval and military expenditure, is not one which is presented by Act of Parliament, but it is presented by motion on the part of the Government?—It is an account made out by the departments under a Treasury Minute, and the Treasury lay it before Parliament.

2715. It is not compulsory upon the Treasury to lay that account before Parliament?—No.

2716. Your view is, that an amended account with a balance sheet appended, such as you have described, should by Act of Parliament be laid before the House before the close of each Session?—Yes, that is my view.

2717. You would not leave it optional to the Executive Government to present an account so amended, but by Act of Parliament you would compel them to present it?—Yes, together with the report of the Commissioners of Audit on that account.

2718. If it was thought fit to improve the check, it should not be optional to the Treasury to present such reports from the Board of Audit as they thought fit, but it should be compulsory to present all the reports?—The whole.

2719. And that audit extending to the Miscellaneous Estimates and Civil Contingencies, would in your opinion cover all the field?—It would.

2720. And this in addition to the audit, such as now exists in respect to the Navy, Army, and Ordnance?—Yes.

2721. Upon the whole, do you think that the audit of the Navy, Army, and Ordnance is effectual as a check upon the observance of the appropriation?—It is; from the experience of some years which I have had, I think that it is effective.

2722. You do not think that anything more stringent, consistently with the free working of the service, can be devised?—No.

2723. *Chairman.*] At the same time, it could be evaded by a department, by the mode of forming contracts, and by the diminution of the stores?—It might.

2724. Sir *James Graham.*] Have you reason to believe that it ever has been so evaded since the passing of the Act?—I believe that you may live upon your stores, and make a saving on the aggregate grants, and *vice versâ*, without much difficulty.

2725. What would you suggest to correct that evil, consistently with the absolute necessity of having some discretion vested in the executive department?—I would have, in addition to the general measures which I have sketched out, a somewhat closer scrutiny of the Estimates at the Treasury. The different votes might be inquired into; and returns might be called for if necessary, of the stock, probable consumption, &c.

2726. Are you not aware, that recently an order has been issued to take stock periodically in the naval department at the recurrence of every three years?—I am not.

2727. Mr. *Chancellor of the Exchequer.*] Do you see any reason why the same powers which are now vested in the Exchequer, with regard to the issue of public

public money, should not be vested in the Audit Board?—None whatever; I think the Audit Board as independent as the Comptroller of the Exchequer; their tenure is the same, I believe. *E. A. Hoffay*, Esq. 23 June 1856.

2728. Sir *James Graham.*] If that were done, would not the check, with reference to the appropriations, bearing upon the question of dissolution, be as effectual as it is now in the Exchequer office?—Yes. If the auditors were invested with sufficient powers, there is no question that you would effect by means of an independent audit all that is now effected by the Exchequer, and more.

2729. Mr. *Chancellor of the Exchequer.*] Would not that check be more efficient if the charge that you have adverted to in the Treasury as to preliminary investigation were introduced?—Yes, it certainly would.

2730. *Chairman.*] What power of the Comptroller of the Exchequer would you vest in the Audit Board?—The power of absolutely stopping the issues of money.

2731. Sir *James Graham.*] Would it not be more safely vested in an independent Board than in an individual who takes part in politics?—His office does not connect him politically.

2732. Mr. *Chancellor of the Exchequer.*] His office does not exclude him from Parliament, does it?—No.

2733. *Chairman.*] Do you mean to say that the circumstance of a man being in Parliament, and being able to explain his own case, and to state his own views in Parliament, is not a very considerable check upon the Government?—Then the question arises whether the chairman of the Audit Board should be in Parliament. If that should be found necessary for a check, the chairman of the Board might have a seat in Parliament.

Jovis, 26° *die Junii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Chancellor of the Exchequer.
Mr. Wilson.	Mr. Williams.
Mr. James MacGregor.	Sir James Graham.
Lord Stanley.	Mr. Hankey.
Sir Henry Willoughby.	Mr. G. A. Hamilton.
Mr. Bowyer.	

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

The Right Honourable The Lord *Monteagle* of *Brandon*; further Examined.

2734. *Chairman.*] YOU gave some information in your former evidence to the Committee with regard to the amount of the Civil Contingencies in the Exchequer?—Yes. At the end of a very protracted examination, I was asked a question with respect to the expenditure of Civil Contingencies. The Committee will recollect that in the early part of my examination, at Question 751, I stated in reference to the public accounts that I thought it would be more convenient in all instances to give the account itself than to give a verbal explanation of its contents; on that occasion I had not the actual account made up, which I now hold in my hand. In giving that answer, my Right honourable Friend in the Chair, pointed to two columns in one of the printed accounts which lay upon the table, and being asked whether there were any balances left in the Exchequer, I stated that there were none, the fact being that the columns to which my attention was directed were not the columns showing the balances in the Exchequer. So far as the evidence which I gave is erroneous, I respectfully request of the Committee the opportunity to correct it. I communicated it immediately to the Chairman when I found that the mistake had so arisen, but I did not think that I should be right in using the power that is given to a witness to alter anything material without the permission of the Committee. But my mistake was not very material. The fact is, that every year during the period I referred

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I referred to, the full amount of the Civil Contingencies was withdrawn from the Exchequer, but there had been a previous balance which continued in the Exchequer of 100,000 *l.*; that was the sum annually voted, and the same sum was withdrawn from the Exchequer, and there was no saving declared during any portion of that time, therefore I was right except that I had neglected the fact of there being a previous balance which was carried out throughout the whole of the accounts, and remained in the Exchequer. I produce an account which has been made from records in my own department; it is perfectly accurate, and, with the permission of the Committee, I wish to substitute it for those answers in which I was led astray. (*The same was delivered in*).

Vide Appendix.

2735. Mr. *Chancellor of the Exchequer.*] There are a few points in your evidence upon which I am desirous of putting to you some questions. In the first place, I will take your answer with reference to precedents as to hereditary pensions; in answer to Question 73, I understood you to say that the mode of redeeming an hereditary pension last spring which had been adopted by the Government was not in accordance with the best precedents on the subject, and you particularly referred, as one of the precedents which ought to have guided the practice of the Treasury, to some Acts which were passed in the beginning of the century with respect to the duties of the prisage and butlerage of wines. I find that in 1803 an Act was passed to enable the Commissioners of Her Majesty's Treasury of Great Britain to contract for the purchase of the duties of the prisage and butlerage of wines; that was the 43d of George the 3d, cap. 156, and by that Act the Treasury was empowered to contract with the Duchy of Lancaster for the purchase of the dues of the prisage and butlerage of wines in the port of Liverpool and other ports of Lancashire; they were further empowered to contract with the Duchy of Cornwall for the purchase of the same dues in the ports of Cornwall, and also in the port of Plymouth; they were empowered to contract with the Duke of Bedford for the purchase of the prisage and butlerage dues in Swansea and Chepstow; with the Marquis of Bute in the port of Cardiff, and with the Duke of Grafton in other ports of England. It was directed that they might treat for the redemption of such interests, but that all contracts made under that Act were subject to confirmation by Parliament. There appeared to be some doubt upon your Lordship's mind as to what the nature of those duties was. Let me call your Lordship's attention to the following extract from Blackstone's Commentaries: he says, "There is also another very ancient hereditary duty belonging to the Crown, called the prisage or butlerage of wines, which is taken notice of in the great Roll of the Exchequer, 8th Richard the 1st, still extant. Prisage was a right of taking two tuns of wine from every ship, English or foreign, importing into England 20 tuns or more, one before and one behind the mast, which, by charter of Edward the 1st, was exchanged into a duty of 2 *s.* for every tun imported by merchant strangers, and called butlerage because paid to the King's butler." From that passage of Blackstone do you entertain any doubt that the duties of prisage and butlerage were in the nature of petty customs duties levied in the ports of England, and also Ireland, upon imported wine?—I should think most probably it was so from the extract in question; but that is a legal matter, and I will take the authority of Blackstone as conclusive upon the question. It does not however affect the opinion I gave.

2736. It appears that subsequently an Act was passed, the 46th of George the 3d, chapter 79, in the year 1806, by which a contract which had been made by the Treasury for an annuity of 6,870 *l.*, payable, out of the Consolidated Fund, to the Duke of Grafton, was confirmed, and at the same time a power was conferred upon the Treasury to fund that annuity; does not it therefore appear that the nature of that transaction was that the Treasury bought up, under the powers of the first Act, certain petty customs dues which the Duke of Grafton had the right of levying in ports of England, and made as a charge upon the Consolidated Fund an annuity to him as compensation for this right of levying dues?—There seems to be no doubt upon the facts stated; but I quoted the case as an instance illustrating the interference of Parliament, and the appeal made to the authority of the Legislature, to justify such a transaction.

2737. By the 5th of George the 4th, chapter 78, passed in 1824, the purchase of the duties of prisage and butlerage of wines from the Duke of Cornwall, that is to say, the Prince of Wales, was also authorised. There appears to have been a former Act passed in consequence of some general powers conferred upon the Treasury?—Very probably.

2738. With

2738. With regard to similar Acts in Ireland to which you have referred in Answer 81; the 42d of George the 3d, chapter 94, passed in 1806, authorises the Treasury to contract with the Earl of Ormond for the sale of the duties of prisage and butlerage on wines imported into Ireland, subject to confirmation by Parliament, and the agreement of the Commissioners of the Treasury in Ireland with the Earl of Ormond was confirmed by the 50th of George the 3d, chapter 101, passed in 1810, for the gross sum of 216,000 *l*. This Act recites that "it would be of great public benefit that the prisage and butlerage of wines should be forthwith extinguished within and through every port in Ireland, and within and through every creek, bay, and strand thereof." Does not it appear clear from this Act, that the duties of the prisage and butlerage of wines were, up to that time, levied on behalf of the Duke of Ormond in all ports of Ireland?—I believe so.

2739. Subsequently an Act for abolishing the duties of the prisage and butlerage of wines in Ireland, namely, the 51st of Geo. 3, c. 51, was passed, and it recites the sale by the Earl of Ormond, and that the duties are vested in the Crown, and that it is expedient that they should be abolished; and it repeals all such duties or compositions in respect of such duties in the ports of Ireland within one month from the passing of the Act. Is it not clear from the Act which I have read that the nature of that transaction was, that the Crown having previously granted those rights of the prisage and butlerage of wines in the ports of Ireland to the Earls of Ormond, those rights were subsequently re-purchased by the Crown; that those petty customs duties then became vested in the Crown, and that they were leviable by the Crown, but that by a subsequent Act the duties were repealed, and thenceforth ceased to be levied?—I take it upon that statement. I cannot give a legal opinion upon Acts of Parliament cited to me at such great length. I have perfect confidence in the correctness of the recitals as given me by the Right honourable Gentleman, and I believe that the results are just as he suggests; but this is perfectly consistent with everything I have stated. I have stated that those grants were grants of rights which previously belonged to the Crown. I believe they were bought up by Parliamentary authority, having been vested in an individual by grant from the Crown.

2740. I understood you to bring forward this case as one which you consider to be parallel; does not it appear upon examination that the cases are wholly different; that this is a case of petty customs duties, similar to those that are now levied at Liverpool by the corporation; that they had been parted with by the Crown, and that they were then levied by the Earl of Ormond, and by the Duke of Grafton, and other persons, though there were no means by which they could be extinguished, except by authorising the Crown to buy them up by a charge made under an Act of Parliament?—I am not prepared to admit this, especially with respect to the law and practice of those times. If it be true that the Crown has the full right out of the gross revenue to issue any sum that can be lawfully employed in extinguishing any charge payable by the subject, I am not aware whether, according to such doctrine, this tax might not have been all bought out of the gross revenue; but at the same time there might not have been a necessity for Parliamentary interposition, for the parties selling might not, without the interposition of Parliament, have possessed the power of parting with their property. These matters were the subject of settlement, and were private property to all intents and purposes whatever, and there might have been a necessity for the interposition of Parliament to provide an enabling Act to persons desirous of selling, without which there would not have been a possibility in the Crown of buying up such rights as these out of the gross revenues; I believe such a transaction might be justifiable according to the earlier practice, but not according to the more modern practice, or according to constitutional principle.

2741. Is not there a great difference between an hereditary pension which is charged upon the gross revenue, and petty customs granted to an individual and levied upon the public, and which might continue to be levied, even after they were resumed by the Crown?—No doubt there is a difference; but one which did not weaken my argument; the analogy which I struck was, to prove that in all these instances the interposition of Parliament was invoked; I abstained carefully, as the Committee will remember, from expressing any kind of opinion with respect to the legality of what has been done with the late pensions. My opinion, such as it was, was for the purpose of expressing regret rather than disapproval that

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that in reference to modern practice, 213,000 *l.* should have been expended out of gross revenue for the purchase of these pensions, without the approval and authority of Parliament.

2742. The case of the Duke of Richmond is mentioned under Answer 82; I find that there was an Act, the 39 Geo. 3, c. 84, passed in the year 1799, which is intituled, "An Act to enable the Lords Commissioners of the Treasury to contract with the Most noble Charles, Duke of Richmond, for the absolute purchase of the Property of the said Duke, and all others interested in a certain Duty of 12 *d.* per Chaldron on Coals shipped in the River Tyne, to be consumed in England, and to grant a Compensation for the same, by way of Annuity, payable out of the Consolidated Fund." This Act enabled the Treasury to treat for the Duke's right for an annuity, to be charged on the Consolidated Fund, and to redeem such annuity. It vests the duties in the Crown; it places them under the Commissioners of Customs, and makes them payable into the Exchequer. A subsequent Act of the 39 and 40 Geo. 3, c. 43, confirms the contract made by the Treasury for an annuity of 19,000 *l.*, payable out of the Consolidated Fund. Does it appear to you that that transaction with the Duke of Richmond bears any close analogy with the mode of redemption of the hereditary pension of the Duke of Grafton?—No; there is a difference between the two cases undoubtedly. My reference to that case was again for the purpose of showing that the interposition of Parliament had been resorted to. I lamented that the same course had not been taken in 1856.

2743. Is not this another case of the purchase of petty customs levied in a particular river for an annuity charged upon the Consolidated Fund, and does not this Act, instead of abolishing those petty customs, as was the case in the Irish Act, maintain them, having vested them in the Crown, and placed them under the management of the Commissioners of Customs, and direct that the duties shall be levied and paid into the Exchequer?—Clearly.

2744. Does not the whole nature of that transaction differ in all its essential points, except that it is the redemption of an annual charge upon the public; does not it there differ from the late redemption of hereditary pensions?—It differs in points respecting which the question is put; it connects itself with the present case, I think, in the point for which alone it was cited, which was showing that it was done with the approval of Parliament, whilst in 1856 no such approval was sought for.

2745. But if the reasons for which it was done with the approval of Parliament differ from the reasons for which this might be done with the approval of Parliament, can it be said that the two cases are parallel?—But in the Acts to which reference has been made it will be found that there were further provisions authorising the redemption of the pensions which were granted as commutations, and that power was granted by Parliament; but again I remind the Committee very respectfully that I never discussed the question of the legality; I did not express any opinion about that; it was the more important question of Parliamentary responsibility which I brought under consideration.

2746. Does it not appear to you that there is an essential difference between all those cases and the redemption of hereditary pensions charged upon the gross revenue; all of which, where redemption has taken place, have been redeemed by the Treasury without an Act of Parliament?—I do not see any great difference between the pensions which the Treasury, by a Bill of the present Session, has applied for full Parliamentary authority to redeem, and the pensions which during the last Session were redeemed out of the gross revenue without the knowledge of Parliament. I think the present principle is the right one, and I think it was highly creditable to the Government to have adopted it. The Bill now passing conclusively confirms my argument, for I only contended in the evidence which I gave that the constitutional principle required a Parliamentary authorisation of the contract. I did not suggest that the Government, in making the purchase out of the gross revenue, had violated any law.

2747. Was your meaning more than this: that as a matter of prudence and propriety you preferred that Parliament should have sanctioned the redemption beforehand, rather than that it should have been done without. You approve of the course which is taken by the Bill now before Parliament rather than the course which has been hitherto acted upon?—Not merely as a matter of "prudence," but as a constitutional recognition of the principles upon which public

public money ought to be expended. With respect to "propriety," that is a large word. I think it no less clear on the ground of propriety, than on the ground of prudence, and I say this the more confidently, because such was the course which I myself took when I was connected with the Treasury. I declined to redeem pensions which I might have redeemed, on the recommendation of two Committees. I preferred taking a vote upon the subject and making it part of the Appropriation Act, and thus obtaining a distinct Parliamentary authority. Therefore I think it more constitutional. I am far from taking upon myself to state that the other course is illegal. I cannot do that, though I cannot approve what has been done.

2748. Mr. *Williams*.] Are the Committee to understand your Lordship to disapprove the course pursued by the Treasury in the redemption of those pensions by a mere Minute of the Treasury?—I have taken an opposite course myself, which is the best proof that I can give of my considering it a more constitutional and preferable mode in all similar cases to obtain a previous sanction of Parliament.

2749. Mr. *Chancellor of the Exchequer*.] Was not that the course that was taken in respect to the Civil List pensions, or was the course that you refer to taken as to the hereditary pensions which were charged upon the gross revenue of the Crown?—They were not Civil List pensions in the proper sense of the word; they were not Civil List pensions on the Civil List of the Crown but charges upon the hereditary revenue.

2750. When you speak of constitutional practice, is there any better guide to constitutional practice than that which has been the constant practice in parallel cases up to the present time?—I am not prepared to affirm that it has been the constant practice up to the present time; my own instance is one to the contrary.

2751. Is it not the fact, that in all the cases of hereditary pensions charged upon the gross revenue which have been redeemed up to last March, the only cases of redemption which have occurred have taken place from the gross revenue without an Act of Parliament?—I took the liberty of showing the Committee that an Act of Parliament had been passed to enable the Commissioners of the Woods, I think, to purchase even small pensions that did not exceed 10*l*. a year, I think it was; and I think that Act was wisely and properly passed. My argument, such as it was, although it was rather a reply to questions drawing out my opinion in reference to the construction of the law, and the construction of the constitution, did not depend upon denying the possibility of the prerogative power of spending 213,000*l*. out of the gross revenue; but I stated that it was a preferable system, in obedience to the constitution of this country, that the transaction should be brought under the attention of Parliament before a sum of 213,000*l*. was so expended. From this opinion I see no reason to depart.

2752. Mr. *Williams*.] In the case of the redemption of the pension of the Duke of Richmond, that was done by Act of Parliament?—All those were done by Act of Parliament; but, however the Right honourable Gentleman may show that the cases are distinguishable in other respects, the principle of Parliamentary responsibility seems to me to apply to them all.

2753. Mr. *Wilson*.] There is no question that the cases, that in 1826, and those in 1853, which were distinctly parallel, were purchased without an Act of Parliament, and upon the authority of the prerogative alone; that those transactions had been laid before Parliament, and that no objection had been taken to them in either case?—The one was Lord Melbourne's pension, in 1825, not a period of good precedents; the purchase from Earl Cowper in 1853 was not of gross revenue, but of the capital fund of the Land Revenue, and is therefore no precedent at all.

2754. And the two pensions in 1853?—No doubt; there were two cases which, subject to the observations I have made, afford some precedent for the course taken in the present instance, and so far as that precedent goes, that precedent justifies the course taken, but that does not, in my judgment, make it an eligible course, nor do I presume that that is the judgment of the Government, seeing that they have, in respect to the measure now before Parliament, adopted another and a better principle.

2755. There is no doubt at all that Parliament had in 1854 distinct information from the Chancellor of the Exchequer at that time of the transactions that had taken place in 1853, and of the contemplated bargain which been concluded

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cluded in those years?—To this I do not agree. So far as I can judge, Parliament on that occasion had a perfect notice given to them that it was intended that those pensions should be bought up and extinguished, but they had no notice whatever of any sort or kind that those pensions were to be paid for out of the gross revenue without direct Parliamentary authority; the whole policy of that day was adverse to such a supposition.

2756. Can it be said to have been contrary to the practice of 1854, when that statement was made, when, in the preceding year, at the commencement of those contemplated transactions, two large pensions had been purchased on that same principle, and information was given of it to Parliament?—The Honourable Gentleman is better qualified than I am to know whether, at that time, and since the declared policy of Government, by which you could judge of their future intentions, was not to endeavour to bring in the whole of the gross revenue into the Exchequer, and to pay out nothing except under Parliamentary authority.

2757. Is your Lordship not aware that in the introduction of that Bill there was a special notice given to Parliament that this would be made an exception, on the ground that arrangements were in progress for the purchase of those pensions?—Not the slightest information was given at that time that it was intended or meditated that this should be paid out of the gross revenue. Information was given of a very wise intention, which I quite approve of, of purchasing up those pensions, but whether they were to be purchased in the one way or the other is not stated or even inferred.

2758. Had not a part of those pensions already been purchased within the preceding few months upon that principle?—I forget the distance of time, but unquestionably those who prepared this matter must have been better judges of their own intentions. All I state is, so far as one can judge by the mode of learning Parliamentary intentions through the reported debates, there is no such suggestion of the intention of buying those by the mere authority of the Treasury, and paying for them out of the gross revenue.

2759. Mr. Gladstone's speech was made in May 1854, and the finance accounts of the preceding year, to January, had been just laid upon the table of the House of Commons. Those finance accounts contained the particulars of the transactions in 1853, and showed those two purchases from the gross revenue upon that principle; was not that the regular mode of intimating to Parliament the views which Government took of the mode in which those pensions should have been purchased?—I think not, particularly in relation to the affairs of those years. Besides which, as I have stated, the purchases of 1853 were not out of gross revenue, but out of capital, in which Parliament was no wise interested. The Honourable Member knows well that the mode of charging the public service, in one year, does not in the slightest degree bind the Treasury to follow the same mode of charging a particular service in another. In this year there were great departures from the better mode, and to the purchase in 1853 my objection in no way applies.

2760. Was any information given of varying the mode by which those pensions should be purchased in 1854, as compared with those which had been purchased in 1853?—Certainly not; my statement in evidence is, that no information was given of the mode which might be resorted to.

2761. There was no intention expressed of varying the mode which had been pursued in 1853?—Nothing can be clearer than my evidence upon that point; there was no notice of varying or adopting it.

2762. Mr. *Williams.*] Your Lordship is not aware in what form the redemption of those pensions was communicated to Parliament?—The previous redemption, I believe, was communicated solely in the finance accounts on the Land Revenue Reports.

2763. In no other form?—No; no vote was taken.

2764. How soon were those finance accounts laid before Parliament after the transaction had taken place?—That I cannot tell; but the officer of the Votes of the House of Commons would be able to inform the Committee.

2765. Are you aware whether any communication was made to Parliament, and if so, in what form, of the redemption of the pensions of Lord Melbourne, and one or two others, which took place at a distant period, about the year 1825?—I believe the memorandum appears in my former evidence. The case of 1825 was communicated, so far as I recollect, merely upon the finance accounts. That of 1853 was made known by a communication in a Report of the Woods and Forests;

Forests; but both were brought under the knowledge of Parliament after the transaction had taken place.

2766. Mr. *Chancellor of the Exchequer.*] Will you refer to Questions 861, 862, and subsequent questions; you referred, in the answers to those questions, to a case which occurred in 1841, which you mentioned to the Committee as one of the most prominent examples of the advantages of Exchequer control, and you expressed an opinion that, by your interference, you had been able to make a correction, not of a technical but of a substantial error, which had been committed by the Treasury. Since your evidence was given, a correspondence on the subject has been laid before the Committee, and I wish to call your Lordships' attention to the opinion of the law officers which was taken in consequence of your representation by the Treasury, and which is given in the papers. The opinion is dated the 15th of November 1841, and signed by Sir Frederick Pollock and Sir William Follett: "It appears to us that the general scope and intention of the Acts of the first Session and second Session of this year (1841) was to provide for the service of the year, and that the Legislature could not have intended the distinction and separation (as insisted upon by the Comptroller) of the supplies of the two Sessions accidentally occurring in the same year. The word 'Session' has been used as importing 'the Parliamentary year' (with which in general it is practically synonymous); and we entertain no doubt, referring to these and other Acts, that the intention and meaning of the Legislature, in consequence of this mistake, has not been conveyed by the language used. But we think, as a question of law, that this mistake, however obvious, cannot be corrected, except by Parliament, and that the word 'Session' must receive its true legal construction, viz., a particular sitting of Parliament from its commencement to its close, and cannot be read as 'year.'" Does not it appear from that opinion that the law officers referred to the regulation in question as having been founded upon a mistake, and that the intention of the Legislature was different, but that they used inadvertently the word "Session," instead of the word "year"?—You have read that opinion correctly, but in speaking of my argument in applying these cases, I must first respectfully differ from you as to the way in which you have put it. You say that I put it forward as one of the most prominent cases; without undervaluing its importance, I declined to do so; I was asked to bring forward a prominent case after I had read that opinion, and I was far from stating it to be the most prominent case. But the Committee will let me say in reply to the question that the matter of law is a matter which was given to me to administer; and to appeal from the strict legal interpretation of the law to discover what might be the intentions of Parliament, would be placing in my hands the most dangerous of all instruments, and placing within the hands of the Government the power of appealing to astute and indefensible construction, rather than to the plain meaning of the law. I stated, and I repeat, that the question of time at which any issue may be directed, however unimportant it may appear, is frequently, and must sometimes be the very essence of the issue to be resolved, namely, the legality of the act. There is a case now before the Committee in which I was asked to make an issue by an instrument dated before the Act of Parliament was passed, authorising the issue; there the time was the essence of the matter; and the Treasury admitted that; and the Treasury in admitting that fact, acquiesced in my objection, withdrew the illegal warrant; and sent me back corrected the instrument to which I had objected; this instrument was a Royal warrant under the Queen's Sign Manual, and countersigned by the Lords of the Treasury, the date had been erased with a knife, and the corrected date, which made it a genuine instrument, inserted with a pen and ink. There the time was thus admitted to be the essence of the whole matter, and in these other questions the time is of the essence of the legality; in the opinion which the law officers gave, and which has just been quoted, their attention was not directed to that which appears in the subsequent correspondence; if I had adopted that construction, I should have been issuing public money in a case where no ways and means had been provided; that establishes the illegality beyond all question. This appears in my letter of 22d November 1841, now before the Committee, and in the Treasury warrant issued consequently on the 27th December.

2767. I will call your Lordship's attention to the words of your own letter, dated the 17th of November 1841. You there state, "The Crown lawyers consider that an obvious mistake has been made in the wording of the Statutes, but that it is one which cannot be corrected except by Act of Parliament, and

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that the word 'Session,' must receive its true legal construction, namely, a 'particular sitting of Parliament from its commencement to its close,' and cannot be read 'year.' Under this opinion I feel myself restrained from issuing the credit required by your Lordship's letter of the 15th October." In that letter, do you not treat the matter as one of mistake, and not of substance, and would not anybody, from your evidence, as given the other day, have inferred that there had been no mistake in the matter, but that it was the correction of a substantial error which was due to your interference?—I think that the Committee when they read over this letter will see that I merely recite what the opinion of the law officers was, by no means adopting it as my own opinion; but I recite it because it laid the foundation of the principle upon which I was acting, namely, adhering strictly to what was reported by the law officers to be the law of the land.*

2768. Lord *Stanley.*] You took the opinion of the law officers as conclusive, not expressing any opinion of your own?—Precisely; I recited that the law officers "consider that an obvious mistake has been made in the wording of the Statutes, but that it is one which cannot be corrected, except by Act of Parliament." I did not state my own opinion; I adopted theirs.

2769. Mr. *Chancellor of the Exchequer.*] It appears that at the beginning of the following Session, Mr. Goulburn, then Chancellor of the Exchequer, brought in a Bill to rectify the mistake which was pointed out by the Crown Lawyers, and he made these remarks in introducing this Bill on the 4th of February 1842: "There having been two Sessions of Parliament in the course of the year 1841, the ways and means for that year were voted by two separate Acts. In the titles of those Acts the sums were stated to be voted for the service of the year 1841, but in the bodies of the Acts the ways and means were applied to the public service during the particular Session in which each respective Bill was passed. There was a surplus of the vote in the first Session; but in consequence of the circumstance to which he had referred, that surplus could not be devoted to the services of the second Session. The consequence was that it became necessary to apply different sums to different parts of the same services, and this gave rise not only to great inconvenience in the public department, but some loss to the public revenue; for as those votes that were agreed to in the first Session could not be made applicable to the second Session, it was impossible that the Exchequer bills reserved for those services could be paid off with the rapidity that was desirable. With regard to the Bill which he now asked leave to introduce, he was only following the precedent which had been set in the year 1831. He therefore moved for leave to introduce a Bill for the application to the service of the year 1841, of the sums granted in either of the two last Sessions of Parliament." Mr. F. T. Baring said, "That as he understood the Right honourable Gentleman, he only intended to do now what, if it had been proposed in the last Session of Parliament, would not have given rise to the least objection; but perhaps the Right honourable Gentleman would permit him to ask a question with regard to the financial proposal of the last Session, whether, consistently with the interest of the public service, he would be able shortly to lay upon the table of the House a Return showing how that financial measure had terminated? He would not ask for the information if it would cause any difficulty to the public service." "The Chancellor of the Exchequer would take an early opportunity of giving the information required, and at any rate, would promise to produce it before he attempted to propose any new measure;" and leave was given to bring in a Bill, and no opposition was made to it. Does not it appear to you, from what has just been read, that it was in fact a mistake of the Legislature, and that as soon as it was pointed out it was corrected, and without any objection?—There can be no doubt that Mr. Goulburn's Act, which I had the honour to support in the other House of Parliament, was a very proper and just Act; but what I had to consider was, what the state of the law was before that correction; and the appeal to the interposition of Parliament to correct the previous Act shows distinctly, not upon the authority of the Crown lawyers, but upon the authority of the Legislature itself, that I should have been culpable and

* I beg, however, to refer to other passages in the letter quoted, as expressing my deliberate judgment. I add, "The opinion given is conclusive in respect to the illegality of issuing any ways and means provided under the 5 Vict. c. 8, and 5 Vict. c. 11, for services voted in the preceding Parliament, unless subject to the consent and sanction of Parliament. I cannot but hold myself bound to govern my conduct by the legal interpretation given to these statutes."

and remiss, had I of my own authority corrected the Act of Parliament, and administered it as if it had been corrected, in place of waiting until the correction was given by the Legislature itself. Mr. Goulburn, with the friendly confidence which subsisted between us, sent me the draft of his intended Bill for my consideration. I suggested several amendments, which he at once adopted. (*See* letters, 26 January and 6 February 1842; Appx.)

2770. There is no doubt that you were technically correct; but does it appear to you that this case can be cited with justice as an example of the substantial protection which was afforded to the public interests by the interposition of the Exchequer control?—I think it was substantially for the public interests by establishing this great principle, that no individual filling my office, and subject to its responsibility, would be justified in seeking the interpretation of a statute by the supposed or suggested meaning of Parliament and intention of Parliament, in place of looking to the legal import of the law; and further, if it had been once granted as a principle or as a precedent, that I was at liberty to apply Ways and Means voted and provided for by statute for one class of services to another, and this contrary to the words of the Act, it would have been a precedent wholly inconsistent with my duty. By avoiding that precedent, I gave to the public a protection which enabled me, when a similar case occurred under a subsequent administration, to enforce the same principle and to act upon the same ground, which was admitted at once by the succeeding Government. I therefore answer the question with confidence. A substantial protection was thus afforded to the public interests by the interposition of the Exchequer control.

2771. In answer to Questions 847 and 848, you refer to a memorandum upon the subject of the Exchequer, which was given to Mr. Gladstone some time in the course of the year 1854, which is printed in these papers; at Question 848 you were asked, "It states fully your Lordship's views, and the objection that you have to the course which you supposed to be carried on at the Pay-office?" and your answer is, "I think it states them with as much clearness as I am able to bring to the subject, and having read the papers in reply upon that subject, ably written by men of eminence in their respective positions, I see no sufficient reason to vary the judgment which I pronounced, as being a judgment which to me appears necessary to be adhered to if you wish to maintain the principle of Parliamentary appropriation. If that principle is to be abandoned, this Exchequer memorandum is absolutely good for nothing." Am I right in supposing that your Lordship adheres now to or takes in substance the same view which you took in 1853, and which you expressed in that memorandum?—I do. I do not mean that there may not be possibly words or expressions which might not be better chosen, but as to the essential principles of that memorandum, to their fullest extent, enforcing throughout the doctrine of the appropriation as obligatory upon all parties concerned with public money, I adhere.

2772. Let me call your Lordship's attention to some of the passages in this memorandum. In page 90 of my copy, in the second paragraph, you say, "It is the system itself, rather than its administration, which I consider to be dangerous and indefensible; tending to supersede the stringent provisions of the Statute Law; to defeat all Parliamentary responsibility; to strike at the integrity of the accounts rendered to both Houses and to the Auditors; and to permit application of the public revenue without due authority; and possibly to purposes wholly unsanctioned by law." Do you still adhere to that view of the present system in respect to the payment of the public monies?—I adhere to that, considering that system to be what I have described, and what I believe it to be, the exercise of a power of appropriating and issuing money for a shorter or a longer period of time at the discretion of officers holding their position at the pleasure of the Crown, and of diverting that public money from the purposes to which it was appropriated by Parliament, and employing it for other uses. I consider this contrary to law, and a violation of the constitution of England.

2773. In a subsequent paragraph you say, "These motives press on me more strongly at the present moment, when it appears by the proceedings in the House of Commons, that the functions of the Exchequer are proposed to be augmented." Do you refer there to the Act of 1854, by which certain charges were transferred from the Consolidated Fund and the gross revenue to annual votes?—I specially referred there to the proposed transfer of something like 4,000,000 *l.* for the collection of the revenue, by an Act not then introduced, and I thought if 4,000,000 *l.* were brought under the control of the Exchequer at a time when the

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the control of the Exchequer was day by day endeavoured to be diminished by the practical proceedings of officers of the Government, it was an absurdity to enact that it should be so paid in. I had not the slightest suspicion that the strange system for defraying the charge of collecting the revenue described in my former evidence would be resorted to, which, in point of fact, has made the payment of the revenue through the Exchequer a perfect farce and a nullity. I have shown that these issues take place after the payments have been already made, and after being issued for payments already made they are returned as revenue payments to the Exchequer.

2774. Lower down in the same paragraph you say, "The difficulties of administering the expenditure during an European war will have to be encountered, for the first time in our modern history, through the instrumentality of one single pay department in place of five. In the late war there were separate offices for paying the army, the navy, army ordnance, Chelsea, and the civil service, besides votes placed in the hands of the Treasury for army extraordinaries and civil contingencies. At present all is carried on at one single pay-office, and unless the issues for each department are accurately made and kept distinct from each other, as required by law; unless care be taken to prevent any possible misappropriation of the funds provided by Parliament from the special services for which they were granted; and unless the public accounts of the Treasury, the Pay-office, and the Bank of England are so kept as to check each other, and correspond with the legal authorities given, and with the Exchequer records, I anticipate, with indescribable alarm, the consequences to the public service which must ensue." Do you believe, from your experience of the war which has now terminated since those remarks were written, that the consequences which you anticipated have occurred?—I stated the peculiarities as in total opposition between the law and the practice, which rendered the approach of a war expenditure a very great difficulty and danger; but I stated, among other things, as a mode of escaping or at least diminishing that difficulty, that there should be a very large vote of unappropriated or extraordinary money taken. I communicated this, in writing, to the then Chancellor of the Exchequer, as the only mode by which he could at once realise the convenience of the public service, and the preservation of the principle of appropriation. I am far from claiming any merit in making that suggestion, or presumptuously suggesting that it was my recommendation that led to its adoption; but the Committee are aware that, most wisely and judiciously, Mr. Gladstone took two large unappropriated sums of 3,000,000 *l.*, I think, in each year, to meet that contingency, and that, which was resorting, in point of fact, to the old principle of the army extraordinary vote, I think, has contributed to carry us, without difficulty, through the late war; but when I see, upon the evidence that I had the honour of giving to the Committee, that even with that sum of unappropriated money, it became necessary to transfer 1,400,000 *l.*, at the commencement of the quarter, into the hands of the Paymaster-general, I think that the Committee will see that there was very great difficulty to be encountered. They have further, in evidence, upon the authority of Sir Charles Trevelyan himself, that the Paymaster-general and the Paymaster of Civil Services "habitually use money belonging to one head of service, in "making advances for other services, in the ordinary transactions of the daily "business of their departments." That is the danger, and that danger, I am perfectly satisfied, has not been escaped, if the Committee investigate closely into the Pay-office accounts, more especially at the close and the commencement of the quarters and the months.

2775. On the whole, do you think that the alarming consequences which you anticipated in the year 1854 have been realised by events during the late war?—I believe that the financial administration in the late war, with a view to its efficiency, deserves the highest commendation; but with respect to the strict legal application of the public money under the Appropriation Act, that is a matter which I cannot take upon myself to pass the same judgment. I have in my memorandum described specifically certain heads of account which it is open for the Committee to investigate themselves, or to call for in Parliament, and those heads of account will, if correctly given, show whether the Appropriation Act has been adhered to or departed from.

2776. Do you think that the financial administration during the late war, and the practice with respect to the issues of public money, would have been better

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if there had been five pay-offices instead of one?—I should be strangely inconsistent were I to condemn the principle of their consolidation if carefully administered, though I see, with some surprise, that the consolidation, of those offices has been attributed exclusively to particular parties with whom the responsibility did not rest. My Right honourable Friend in the Chair and myself were the persons who carried the consolidation of the great pay-offices into effect. I think, under a precautionary system, it might have been adhered to, though not perhaps without a large vote, like that of 6,000,000 *l.*, wholly unappropriated, placed by the generous confidence of Parliament in the hands of the Government; the whole expenditure might have been carried on, and yet the principle of appropriation adhered to. The Committee will observe, as I find in some of the evidence most truly stated, that as to the internal management of the Pay-office, that I only inferred certain stated results from facts that came to my own knowledge. I see that it is suggested that I ought to have gone to the Pay-office to study their system; if I had done so, and if I had superintended their operations, I have no kind of doubt that I should have got the intimation very properly given by the Government that this was no business of mine; and yet I am told, as a reproach, that I have stated all these things without having gone myself to investigate the matter at the Pay-office!

2777. Do you think that the practice would have been better and more regular during the late war if the number of pay-offices had been greater than it was?—If I am asked to compare the old system with the new, when you had a Paymaster for the Army Services, when you had a Treasurer of the Navy, and a Treasurer of Ordnance, I should say that you then had, in my judgment, a complicated and objectionable system. It was on that ground I recommended Parliament to consolidate those offices; but as a protection against what I considered to be an unconstitutional and illegitimate application of the votes of those three departments, that system was perfect, because when there were three separate offices there could be no transfer between them from the Army to the Navy, or from the Navy to the Ordnance, and though you obtained a great good by the effectual application of the principle of consolidation, you have obtained that good under the system of administration which has been permitted to grow up, at the hazard, and, I fear, at the sacrifice of the principle upon which the rights of the House of Commons and the Constitution of England depend—the principle of appropriation, established at the Revolution by Lord Somers, without which the power of The House would become a delusion.

2778. Lower down you say, "The responsibility and danger to which I allude appear to me to arise from the present mode of issuing and applying the public money, which I consider to be not only a violation of the general principles of the Constitution, but contrary to express law, repugnant to the intentions of Parliament, superseding the restraints of the Appropriation Act, making the public accounts illusory and contradictory, and, as far as I can judge, throwing corresponding difficulties in the way of the final proceedings of the Auditors;" that sentence may be considered, I presume, as embodying the results of your memorandum, and I presume that that is the view which you take of the working of the present system down to the present day; is that so?—If the present practice is the practice described by Sir Charles Trevelyan in the official document prepared for the Committee on Miscellaneous Services, to which, however, it never was submitted, as well as in admissions made before this Committee, and that the Paymaster uses money belonging to one head of service in making advances for others in the ordinary transactions of the daily business of his department, I say that I will show the Committee, by a reference to the authorities which are before me, that this is in violation of the law; I presume, if I was deceived in making so bold an assertion, Her Majesty's Government would have had the goodness to have adopted my suggestion, to take the opinion of the Crown lawyers, and if such opinion justified the practice, they could not too soon have relieved a public servant like me from the painful position in which he was placed, country, in attributing an illegal practice to the finance administration of this with which he has been for so many years, and still continues to be, connected.

2779. In page 93, in illustrating the present state of the Exchequer, you quote the evidence of Mr. Ellis, which you say is quoted and adopted by the Commissioners on the Exchequer to this effect: "The Exchequer is at least coeval with the Norman Conquest, and from its earliest institution has been looked upon as a check on the Lord High Treasurer, and a protection for the King

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King as well as the subject in the custody, payment, and issue of the public money." Are you not aware that in the time of Charles the Second the Lord High Treasurer, the Chancellor of the Exchequer, and also an officer who was then a distinct officer, the Under Treasurer of the Exchequer, used to sit and transact their business in the office of the Exchequer?—I should rather regret to be called upon to give opinions upon the antiquarian part of the subject. I should humbly and respectfully submit that the best authorities for that are Sir Francis Palgrave and Mr. Black, above all, who is conversant with this matter, and to Mr. Hallam, the first, because the most trustworthy, of our modern historians. I give you this with the authority attached to it, and if you ask me for further authorities, I am quite ready to give them. Likewise I give you, for instance, the authority of Mr. Bedford, in 1795, the friend and the confidential deputy, and the representative of Lord Grenville, and not likely to be led astray in a matter of this description. In 1795 he states the power, the control, and the responsibility of the Government to the Exchequer in the strongest possible light. I have memorandums from a very highly historical authority which, if the Committee wish, I can lay before them on this subject; but where the Exchequer sat at that particular time, and whether it sat under the same roof with the Treasury or in a different place, I cannot say. I believe the evidence the Committee have before them is inaccurate, if the report which I have in my hand is correct; but it would be pedantry on my part, and I should shrink from giving my own opinions about the antiquity of this matter; I give the Committee Mr. Ellis's authority, and I give his opinion. I can also refer to the authority of the Commissioners on the public accounts and finances in 1782 on the same subject.

2780. Have you not quoted evidence in your memorandum bearing upon the antiquarian part of the subject, and leading to the inference that the office of Lord High Treasurer, the Chancellor, and the Under Treasurer of the Exchequer was distinct from the office of the Exchequer from an early date?—No doubt it was from an early date; but the stages, the precise times, are matters which I have not given any evidence upon.

2781. Have you ever referred to a compilation which is very accessible to a person holding a public office, called, "Notes of materials for the History of Public Departments, compiled by Mr. Thomas of the Record Office, printed in the year 1846," and have you found in the first pages of that compilation a very clear statement of the origin of the Treasury, and the ancient form of the Exchequer?—I read it some years ago; it was sent to me at the time of its being compiled, but I have had no opportunity of verifying the facts; but seeing the evidence given before this Committee, going into high antiquity, great law and historical research, by Mr. Anderson, who, with all his acquirements, was not exactly the authority that I should have sought for upon such a matter, I am not encouraged to venture beyond my depth. But only yesterday I happened accidentally to communicate with a person who I believe is the highest authority in England upon the subject; that is, Mr. Black, who was employed in the examination and superintendence of the Exchequer records under my late Noble friend, Lord Langdale, years ago, and who knows more about the matter, I believe, than any one now living. I asked him to give me from his knowledge his best view of the case. I have not yet obtained it from him, but it is from a man of that knowledge and capacity that you will get an answer, rather than from me. I can answer, I hope, clearly as to the law and practice of my own office; but with respect to the conduct of matters centuries ago, that is really a matter to which I should not wish to speak.

2782. In a later part of your memorandum you refer to the Treasury Minute of the year 1848; that Minute underwent certain amendments; and you say, "The amended Minute carefully recites and maintains the principles of Parliamentary appropriation, enforced by Exchequer control; the present system subverts both." You proceed to quote a passage from that Treasury Minute, and then you make these remarks: "Here is a most authoritative declaration and recognition of the principle of specific appropriation; my statement now is, that this principle is habitually and systematically endangered, or actually set aside." That view, I take for granted, is the view which your Lordship now entertains?—That is a wide question to put to so long a matter. What has been read to me comprehends several distinct propositions, to each of which I shall readily, in a distinct shape, give my opinion. First, as to the Minute itself: that Minute

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and its modification is the most important instance, I think, of the control of the Exchequer; it is also a conclusive admission on the part of the Treasury, distinctly made and communicated to Parliament, of the principle of appropriation in the public revenue. The original Minute, bearing date 22d December 1848, was drawn up, and communicated to me in a printed shape for the government of my department. It purported to have been contemporaneously communicated to the Auditors, the Admiralty, the Secretary at War, the Ordnance Office, and the Commissioners of Chelsea. No more authoritative document could appear to have been issued. I objected to it instantly, on the ground that such a Minute, as drawn, violated the principle of appropriation, and was one against which I must entirely protest; and in consequence that draft letter of mine, dated 16th January 1849, and laid before this Committee by the Government, is before the Committee, stating those facts; they have also a paper showing the alterations made in that Minute at my suggestion. To those alterations I must take the liberty of calling the attention of the Committee. The first portion is this: I put in here the original Minute, or rather extracts from it, and the amendments which at my suggestion were inserted for the purpose of preserving the principle of appropriation. In the early part of it as amended, it recites that the Exchequer Act is preserved and continued, no such recital having been contained in the original Minute; but what is most material is, that at my suggestion the following words were inserted: "While by this new arrangement the constitutional check exercised by the Comptroller-general of the Exchequer upon the issue of the public money, under the provisions of the Act 4 William 4th, chapter 15, will in all respects be maintained, the regulations which their Lordships prescribe for the government of the Paymaster-general's office will afford to this Board a further control and check over the expenditure in detail, which will enable their Lordships to insure that no payment is made upon the order of any department, under any head of service, beyond the amount of the specific grant of Parliament legally applicable thereto." This declaration was made in the year 1849, and laid before both Houses of Parliament in 1849, being dated in December 1848, yet I find in the Minute of Sir Charles Trevelyan, prepared in the year 1848, a declaration that the Paymaster habitually uses money belonging to one head of service, in the ordinary transactions of the daily business of his office. That memorandum was not submitted to the Select Committee for whose use it was intended, and was not communicated to Parliament; but the amended Minute, which affirmed the principle of appropriation in language as strong as the Appropriation Act itself, was communicated to Parliament; upon that point I quite adopt the views of that Minute, but I say that the practice is not reconcilable with that amended minute, but is more truly described in the frank avowal of the Assistant Secretary of the Treasury.

2783. You go on to state, "The principle which from the proceedings of the Pay-office appears to me to prevail, but of which of course I cannot be quite accurately informed, is as follows." Then you make remarks which are divided under seven heads; the first paragraph is, "That the funds in the Paymaster's hands are dealt with as a consolidated balance, from which all services directed by the Treasury to be provided for, may be made good with or without the requisite legal authority." What is the course which you would recommend to be adopted in the Paymaster's office, with respect to the matter that is dealt with in that first paragraph?—My answer is simply, I propose that the law shall be obeyed, and that neither by the Paymaster nor by the Treasury itself there should be sanctioned any abandonment of the law, still less an open violation of its main principles.

2784. How do you consider that the law is at present abandoned?—I consider that the law is abandoned when monies issued from the Exchequer, and which the Paymaster is by law bound to apply to a specific purpose, are passed into his drawing account, and there applied for any services which arise. When I say that he is bound by the Exchequer Act, the Committee will allow me to refer to a passage in that Act, which is not obligatory upon myself only, but which is obligatory upon the Paymaster-general and the Treasury. It is the 4 Will. 4, and the clauses in question, which determine the appropriation, are the 10th, 11th, and 12th; and then the subsequent corresponding clauses as to the issues from the Consolidated Fund. I am precluded under these clauses from issuing any

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any money whatever, except for a specified head of service. But then follow the obligations imposed on the Treasury and the Paymaster in the 11th clause; when I have acted upon the Royal warrant, authorising and requiring the Comptroller "to place at the Bank of England, to the credit of the public accountant to the Crown, in the respective branch of service, the amount of the sum so granted or voted, at such times and in such proportions as the said Commissioners shall from *time to time direct to be applied by such officer to such service.*" Such is the Legislative direction that the money so passing from me for a particular service, to the Paymaster-general, shall be applied by that officer to that service. The Appropriation Acts are equally clear; they enact annually that the aids and supplies provided shall not be issued or applied to any use, intent, or purpose other than the uses, intents, and purposes before-mentioned, or for the other payments directed to be satisfied thereout by any Act, or any clause of any Act for that purpose contained in any Act of this Session. Yet notwithstanding these stringent words, you have it in the admission of Mr. Anderson, and it is as strongly stated by Sir Charles Trevelyan as it can be, that the daily habitual practice of the Paymaster is to apply that money to the current services without reference to authority. I say that there the law is violated; the law may be wrong, and the practice may be right, but the two are irreconcilable and incompatible, and you have a system going on now which shows that by the whole of the parties concerned the law is set aside and dispensed with.

2785. What is your opinion as to the strict effect of this clause of the Exchequer Act; do you think that it is the duty of the Paymaster to keep a separate balance for each vote at the Bank, and to draw upon that separate account for that vote?—I consider that the Paymaster has one common function of dealing with the three departments; he is equally bound as the three separate Paymasters were, to apply the Army vote for Army purposes, the Navy vote for Navy purposes, and the Ordnance vote for Ordnance purposes, and, subject to the peculiar limitation that I have afterwards to mention, to apply the credits issued for the votes of Parliament to the purposes for which they were issued, and to none other.

2786. Would you have him keep a separate balance for each vote of the Miscellaneous Services?—I would have him keep a separate entry of the balance for those votes in his accounts. He need not necessarily have a separate balance as to the money which is placed at his disposal. He may have a common balance if he likes it, provided that the sums drawn from that balance are appropriated rightly. It is the misappropriation that I complain of, not the common balance. Now, I have in my hand an account I should be glad to lay before the Committee upon this subject. I stated in a former part of my evidence, that even if there was a little money lost in deficiency bills by reason of having a greater number of balances, if that be the only mode of preserving appropriation, I think that Parliament is bound to preserve the appropriation though it cost a little more money. But I hold in my hand the means of comparing the former balances with the existing balances, and I am enabled to show the Committee, that it is a delusion to imagine that you would have necessarily to incur this excess. I have here now an account of the balances kept under the system of four Paymasters, including Mr. Sargent, and I find that before the consolidation on the 4th of July 1835 and the 5th of April 1836, the balances at that time were only 533,000 *l.* upon the whole of those services, and in the year 1836, they were only 412,000 *l.* There they are. The Paymaster of Civil Services had 41 accounts in one instance, and 33 accounts in another. He had only 104,000 *l.* and 117,000 *l.* balances.

[*The following Paper was delivered in:*]

BALANCES in Accountant's Hands, 4 July 1835, and 5 April 1836, before Consolidation of Departments.

BALANCES (at the Bank) of EXCHEQUER CREDITS, 4 July 1835.

	£.	s.	d.	£.	s.	d.
Paymaster of the Forces	259,285	13	11			
Treasurer of the Navy	81,000	–	–			
Treasurer of the Ordnance	41,254	–	–			
				381,539	13	11
Comptroller of the Stationery Office				10,754	15	3
Master of the Mint				6,837	4	–
Commissioners for building additional Churches				857	18	11
Agent for the Bahamas				460	8	4
Solicitor of the Treasury				2,987	12	1
Paymasters of Exchequer Bills				11,549	1	9
Commissioners of Woods, Works, &c., 4 accounts				14,312	16	8
Paymaster of Civil Services, 33 accounts				104,195	10	8
			£.	533,495	1	7

BALANCES (at the Bank) of EXCHEQUER CREDITS, 5 April 1836.

	£.	s.	d.	£.	s.	d.
Paymaster of the Forces	90,143	18	–			
Treasurer of the Ordnance,	62,517	13	4			
Treasurer of the Navy	75,000	–	–			
				227,661	11	4
Paymaster of Toulonese Emigrants				3,000	–	–
Agent for Crown Colonies				32,000	–	–
Secretary to Commissioners for building Churches				1,579	17	2
Solicitor of the Treasury				2,867	12	5
Master of the Mint				2,646	11	1
Comptroller of Stationery Office				6,369	10	11
Paymasters of Exchequer Bills				13,382	19	2
Commissioners of Woods, &c., 6 accounts				5,839	1	8
Paymaster of Civil Services, 41 accounts				117,299	18	1
			£.	412,647	1	10

2787. Although the Paymaster keeps only one balance upon his drawing account, is it your statement that he ever misappropriates money; that he ever pays money to any vote in excess of that vote?—No, I have not the means of judging personally, not seeing his accounts, but it is admitted by Mr. Anderson (1074, 1077, 1078, 1079, 1081, 1082, 1049, 1069), and I know that he pays money without legal authority to pay it, and applies it to purposes foreign to that for which it is appropriated. Call for a return of the Paymaster's accounts for the first fortnight after every quarter day, a return that could be provided for you against your next meeting, and then investigate whether all those payments are justifiable by law; I mean the original payments, not the subsequent rectification on account.

2788. You say that you would not object to his having one balance on his drawing account?—I see no objection to his keeping it in one account, provided nothing is drawn out, except under strict responsibility, and applied exclusively to its appropriation.

2789. Is it your statement that now, under the existing system, any payment is ever made by the Paymaster-general for an illegal purpose; that he ever misappropriates money in excess of any vote given by Parliament?—"Misappropriation" requires a definition; if any Member of this Committee infers from what I have written or stated that I attribute, or have ever attributed, to any one person pecuniary corruption or misappropriation of public money for private purposes, I cannot too strongly protest against such a supposition, as contrary to my meaning; but if you ask me whether the Paymaster applies money for purposes unauthorised by law, diverting that money from the legal purposes for which it was issued, and to which he was bound by the Exchequer and the Appropriation Acts to limit the expenditure, that I say takes place every day, and such is the statement of Sir Charles Trevelyan, and the admission of Mr. Anderson (1578, 1579).

2790. Can you give any example to illustrate your meaning?—Yes. What has been done with the 25,000*l.* that was issued for the Duke of Wellington's funeral? That has been for years in the possession of the Paymaster, not lying idle, because you compel him by his rules to exhaust his balances; that money was therefore applied; it was not applied to the Duke of Wellington's funeral, for the best reason, for it was not wanting, but to other purposes.

2791. Mr. *Hankey.*] Do you mean by that, money or credit?—I have nothing to say to money; in Exchequer language, every credit is an issue. In law, in fact, in our accounts our credits are payments; we know no other.

2792. Mr. *Chancellor of the Exchequer.*] Still there are 25,000*l.* standing to the credit of that vote, are there not?—Not at the Exchequer, but to the separate and independent account of the Paymaster. And has not that 25,000*l.* been in course of employment for years by the Paymaster, and is that a legal employment?

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2793. Does not that resolve itself into what you have already stated, whether the Paymaster should or should not keep more than one balance upon his drawing account?—Certainly not. Supposing that an account is given to me appropriated for three distinct purposes, I may place the whole of that at my banker's in one account, to my single account, but that does not give me a right to apply the appropriated money of A. for the purposes of B., or the money of B. for the purposes of C. I cannot do this as Paymaster, because I am bound by an Appropriation Act, which by my official duty and responsibility precludes my issuing that money for any other purpose.

2794. Will you have the kindness to state what is the practice which you would recommend upon the assumption that there is to be only one drawing account and one balance upon that account, such practice being in conformity with the existing law, according to your construction of it?—If you ask me how to reform the Paymaster's office, that is a very large question and requires time. If am asked how my own proposition, which I have now suggested, is to be carried out, I see no difficulty whatever in it. It is merely this: supposing there is a sum of 3,000*l.*, of which a single 1,000*l.* is applicable to each of three distinct purposes, then I am precluded by law from applying the 1,000*l.* given to A. for the purposes of B., or for the purposes of C. I may have a common balance of 3,000*l.*, yet I may adhere as rigidly to the principle of appropriation as if I had three separate accounts kept for A., B., and C.

2795. Does not the present practice completely fulfil all the conditions which you have suggested?—It seems to be very certain that it does not. While mine is a strict adherence to the principle of appropriation, the present is undoubtedly an undisguised departure from that principle.

2796. Will you explain how it can be said that the principle of appropriation is not adhered to when no issue of money is ever made otherwise than for the vote sanctioned by Parliament?—In the first place, I must again repeat that I cannot speak to the Committee about the Paymaster's office without more acquaintance with it than I have; but I will give one instance which is stated in my memorandum. The salaries of the Judges are all payable and paid as soon as the quarter comes; the Treasury and the Paymaster have no legal authority to make any one single payment of that kind at the time that they make it; yet it is regularly made, and is an illegal payment as it stands.

2797. Why so?—Because the Act of Parliament prescribes that until they get the authority of the Treasury warrant and my Exchequer authority, transmitted after satisfying myself of the legality of that issue, they have no power to issue. That is a point to which I invite the attention of the law officers; and if they say that without the Treasury warrant, and without the Exchequer controlling warrant, you have the power of issuing at your own will and pleasure, then undoubtedly the present practice is right; but if the law officers negative that proposition, the practice is illegal.

2798. You consider it a misappropriation of public money to pay the salaries of the Judges, which are charged upon the Consolidated Fund, according to the present practice; you think that there ought to be an Exchequer warrant in each case; is that the extent of your objection?—An Exchequer warrant is required by law, and it is given by the law; but the Paymaster acts without it; and to show the Committee the inconvenience of that, I have had frequent occasion to stop out of those warrants demands made upon the public, in my judgment, improperly by the Treasury. This has occurred: I have had claims for dead men, which I have struck off; I have had claims for which there was no authority, which I have struck off; but if, in the absence of any Exchequer authority, you can pay without that which, as a condition precedent, is made indispensably necessary by law, how am I afterwards to satisfy the obligations of the Act which you have already acted upon in anticipation of the statutable authority, and paid that which was afterwards determined to be illegal.

2799. Are these cases of recent occurrence, the mistakes as to persons who were deceased?—That was the case of an officer belonging to a court of justice; and the Treasury continued him upon the warrant, and they wished to continue him, even for the chance of there being a successor appointed; it being a case in which the office was abolished, and in which no successor could be appointed.

2800. Do you remember the name?—Yes, quite well; his name was Mr. Mahoney,

Mahoney, who was an officer of one of the courts of justice in Ireland; but there are other cases.

2801. What was the date?—It is in the paper which I have put before the Committee, and the whole of the correspondence; letter to Treasury, 8 April 1851, No. 13, page 40.

2802. Was that a mistake, or a deliberate misappropriation of the public money?—I pray to be understood that I do not attribute any deliberate misappropriation. I am to protect the law, and see it carried into effect; I do not attribute misappropriation in the sense in which the word is used sometimes. regret to be forced to repeat this protest so frequently.

2803. The effect of this memorandum seems to be, according to your view, that there is a systematic misappropriation of the public money under the existing practice: what I am desirous of learning from you is, in what you consider that system of misappropriation a departure from the law?—I consider the present practice to be a departure from the law, a trampling under foot of the Appropriation Act, by applying money voted for one thing to another. I consider it to be a systematic violation of the law in another respect, that when the law declares that, under certain conditions, and those certain conditions only, payments shall be made, payments are made without those conditions; which appear to me to be payments illegal and unauthorised, and a departure from the law.

2804. Do you think that the principle of specific appropriation in the Pay-office could be carried into effect without keeping a separate balance for every vote in the drawing account?—I know that question is disposed of by the fact: as long as there were three paymasters there was no difficulty of this description felt; for I believe it is not consistent with any fact or any suggested fact, that the Paymaster of the Army ever applied his money in aid of the Treasurer of the Navy, or the Treasurer of the Navy ever applied his money in aid of the Treasurer of the Ordnance; and I contend that the same principle of appropriation that was then practised, which was not only practical but practised under the law as it now stands, should be enforced and practised again.

2805. Do you think that the present law would be satisfied if the practice was restored to the state that it was in under separate paymasters?—I think that with the law as it now stands, the practice is better in some respects, but as to the appropriation of the public money, I think it would be most desirable for the safety of the constitution of England, and for the interests of Her Majesty's Government, whoever compose that Government, that the obligation of adhering to the law to the same appropriation with respect to the great departments, should be imperative now.

2806. Was a separate balance ever kept for each vote of the Miscellaneous Estimates?—There was a separate account kept by Mr. Sargent; the principle of appropriation upon that account was, I believe, infinitely more stringent than anything that is practised at the present time; but Mr. Sargent at the time that he was Paymaster of those votes was also the Paymaster of the civil contingencies; he was also, I believe, Paymaster of the commissariat services, which represented the Commissariat Chest in those days, and the army extraordinary accounts department. He therefore had two votes, if I recollect rightly, that were freed from special appropriation; whether those votes were used, we will say by an advance made from the civil contingencies in aid of the vote in miscellaneous services, I cannot say, but it is very probable that it was so; I think it is nearly certain that it was so; but that is nothing of which I complain. If the Treasury apply the 3,000,000 *l.* voted without appropriation, or the 100,000 *l.* voted for the civil contingencies in aid of any service whatever coming under the two heads, they are perfectly entitled to do so. Now, to speak about the practice of Mr. Sargent, I must bear in mind he had those unappropriated votes to deal with. I hope and believe that Mr. Sargent, who was an admirable public servant, is still living; he may be called.

2807. Does not the Appropriation Act make a separate appropriation of each of the votes in the Miscellaneous Estimates?—Yes; both the closing Appropriation Act and the separate Ways and Means Acts, with some deduction, however, which deserves attention.

2808. Did Mr. Sargent keep a separate balance upon each of those votes in his drawing account?—I cannot tell you with any certainty.

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2809. Do you feel any doubt that he did not keep a separate balance upon each of those votes?—I cannot say, but I know that he kept a most regular account with respect to all those services; but whether, having two other accounts to draw upon, he occasionally, under any circumstances, merged the one account into the other, or whether he applied one miscellaneous vote to another purpose, I am not able to say; all that I say is, that the whole time that I was at the Treasury I never authorised such an act, and as to indiscriminate issues of the three great services, I feel under the former system it would have been impossible.

2810. Do you believe that, in order to carry strictly into effect the intended specific appropriation in the Paymaster's office, it is necessary for the Paymaster to keep a separate balance upon each of the votes in the Miscellaneous Estimates in his drawing account?—I know that he kept an account separate; I have seen it. With respect to the balance that he kept I am unable to tell you; I believe Mr. Sargent is living.

2811. Do you think that it is the duty of the present Paymaster, under the present law, to keep a separate balance for each of the miscellaneous votes in his drawing account?—I think it is his duty to keep all the issues for those accounts separate and distinct, and to make no issue for any one of those accounts that is not out of the money appropriated specifically for it, and there is no difficulty arising out of that; I have shown you that Mr. Sargent's balances were not excessive when he kept 30 or 40 accounts at the Treasury, and that example shows you would not require those excessive balances; I have no doubt it could be managed otherwise.

2812. Is it not the practice now that the Paymaster never makes an issue in excess of each of those votes?—But he makes an issue in excess of his authority to make it; that is the complaint that I make of the violation of the law; it is the system of doing an illegal act, to be rectified by a subsequent proceeding, which endeavours to convert that which is illegal at the time it was done, into what is sought to be afterwards made legal.

2813. Mr. *Bowyer*.] Your Lordship says, not that he issues more money than he ought upon each vote, but he issues for one vote money that belongs to another vote?—Yes, and more than he has legal authority to issue at the time. He is called on for money for A; he has none; he pays out of money belonging to B, in expectation of repaying it out of money belonging to A when it comes in.

2814. Mr. *Chancellor of the Exchequer*.] Inasmuch as the Exchequer does not deal with money, but with credits, how then can it be said that he issues money appropriated to another vote?—I have already referred you to the authority of the Exchequer Act itself, which in the clause I read, the 11th clause, with respect to all his means of obtaining funds from the Exchequer, states that issues are made to him to be applied by that officer to the service for which they are intended.

2815. According to one construction of that clause, the present practice entirely satisfies it, does not it?—I do not see that under any construction that can be given to the clause the law is satisfied in that respect. The clause prescribes, section 10, that in the transfer of my credits the provisions of the Appropriation Act be adhered to, and this is strictly done by me; but section 11, that when I shall have satisfied myself of the legality of the order, I shall place the sum so voted to the credit of the public accountant to the Crown in the respective branches of service, to be *applied by such officer to such service*. This appropriation is not satisfied by the present practice.

2816. But if the law looks to the credits, and not to the payments from the drawing account, is it not true that he always keeps a credit standing in his Exchequer credit account with regard to each vote till it is exhausted?—No; there are cases in which he pays without having any Exchequer credit at all.

2817. The second paragraph is to this effect: "That under this system, with or without an Exchequer warrant, or any special transfer or payment from the Bank to meet a particular service, issues may be made by the Paymaster, and are made for that service in anticipation of funds to be subsequently appropriated, and are thus paid in the absence of all legal authority." Does that paragraph refer to the cash account of the Paymaster as distinguished from his Exchequer credit account?—It applies to the Exchequer credit account as transferred to his drawing account; and it applies, perhaps, still more forcibly to his cash account, because he receives the money, and as long as he holds that money, pays it out of his cash account to his drawing account and uses it indiscriminately,

criminately, he uses it without any legal appropriation. With respect to the Exchequer credit the case is very strong: he receives it under a special appropriation, and in place of using it for that purpose he employs it for another.

2818. Your opinion is, that though the Paymaster may not issue money in excess of any vote of Parliament, he still misappropriates the money?—Unquestionably; understanding by misappropriation that he sets aside, of his own authority, the direct provisions of the Act of Parliament, and appropriates the public money without legal authority.

2819. The question is, whether he does set them aside, and whether the mode of transacting the business of the Paymaster's office is not, at all events, a substantial, if not a literal compliance with the Exchequer Act; do you believe that he ever can be said, when he keeps a correct credit standing against each vote, to misappropriate the money set aside for that vote?—I must again reply that misappropriation is not a word that I use in the sense in which it may be understood elsewhere. If put upon the Minutes, and I am to be charged with imputing misappropriation in the way in which it will be understood out of doors, I am doing no such thing. I mean that he applies it contrary to law, but for a branch of the public service.

2820. Is your meaning anything more than this: that the accounts of the Pay-office are kept so as not completely to satisfy the letter of the law?—It is not a question as to how the accounts are kept, but it is a question that the law is violated, and if there is any doubt upon it I respectfully entreat the Right honourable Gentleman to take a legal opinion upon that subject and lay it before Parliament.

2821. Is it your meaning that there is in substance any misappropriation of the public monies, what would be popularly understood by misappropriation?—What is popularly understood by misappropriation is a corrupt application of the public money; I do not attribute any such thing; but I do attribute to those who administer our finance a pertinacious practice, increasing daily, of setting aside the law, as I consider it to stand, and I invite the Government to ascertain whether I am right or not. I believe that this misappropriation goes on hourly, and I will prove it upon the evidence of Sir Charles Trevelyan, and of Mr. Anderson, which I have referred to already.

2822. Before the Government can take the opinion of the Crown lawyers, it is very desirable to ascertain precisely the point upon which the opinion is to be taken; I am anxious to ascertain clearly what is the precise extent of the misappropriation which you conceive to be at present carried on; do you believe that at present, without going into corrupt misappropriation, that substantially money is ever misappropriated in excess of any vote, or in anticipation of any vote, or that any payment is made for any purpose not sanctioned by Parliament?—In the evidence of Mr. Anderson it is admitted that the monies are occasionally used in anticipation of the votes. To that evidence I refer in proof of the anticipation of the votes. (Anderson, 1081, 1082). I know that it is so used without Treasury and Exchequer warrants. I know that Sir C. Trevelyan admits these practices to be of daily occurrence. I believe in the case of the grant for the Duke of Wellington's funeral the purposes of that vote were exhausted when the expense of the funeral was defrayed; in that very instance there was no legal power to apply that vote to anything else, but it has been so applied from that time to the present, and it was only by accident, namely, the declaration by a Member of the Government, that he had 24,000 *l.* which he was prepared to apply to another purpose, that the fact came out that the purposes of the vote were already answered, and 25,000 *l.* kept in hand.

2823. Do you think that the Paymaster ought to have kept a separate balance for that 80,000 *l.*?—Not necessarily. The first error was drawing it out of the Exchequer long before it was wanted; that was the commencement of the error, but that which I consider as the Parliamentary offence was with the power exercised by the Paymaster-general of applying this or any money which he gets indiscriminately to any service to which he chooses to apply it. This is even more serious than the error of withdrawing from the Exchequer the money before it is required.

2824. Was not that the error of the Treasury, and not of the Pay-office?—I believe not, because I believe the Treasury (I speak here under correction of those who know better) receive their applications for issues from the Pay-office.

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My charge is the same, whether it applies to the Treasury, to the Paymaster, or to both.

2825. Do you believe that that is an error which it is possible, in the nature of things, altogether to avoid; is it possible for the Treasury always to anticipate the precise time at which claims for payment will be made under any vote of that kind?—I believe there are some returns before the Committee which will show how this sort of practice acts. They could not, surely, have imagined that the whole sum of 80,000 *l.* would be demanded from them within the few days in which it was drawn out. What I suggested as a possibility, and proved it to be the fact in respect to the 25,000 *l.*, was, that it was not drawn out for these purposes at all, but that it was drawn out to relieve the difficulties of the Paymaster's balance, and to enable the Paymaster to adjust or to rectify his balance by getting money from that vote. To show the Committee the urgency with which this issue was demanded from me, I beg to refer them to the Treasury letter of 24th March 1853, in which I was requested to make this issue *forthwith*, the same being stated to be *required* for *immediate and pressing use.*

2826. Do you believe that any larger sum was placed at the disposal of the Paymaster, in consequence of that step, than would have been placed at his disposal if only 60,000 *l.* had been drawn out originally?—Undoubtedly; because he went to his Exchequer credit account, upon which, by his mere action, he was enabled to act direct upon it by the transfer of that to his drawing account. It is not merely that he withdrew it from the Exchequer account before it was required; but no sooner had it entered into the Exchequer credit account, which is the Paymaster's account, than it was withdrawn from thence to carry it to his drawing account, upon which he could operate for any service he pleased at his discretion.

2827. Is not his drawing account, which is the only one that is really a public account, kept down to the lowest amount which is consistent with the daily demands?—That is exactly a proof to me of the misappropriation of the public money. If it is kept down to its lowest amount, that 25,000 *l.*, in this single instance, must have been exhausted from his drawing account, and employed in other matters for years; that is the illegality which I complained of.

2828. You think that it ought to have been kept standing as a balance in the hands of the Paymaster?—On the contrary, I think that it ought to have been left in the Exchequer till it was wanted. The Committee are aware that applications for credits to the Exchequer come in in the afternoon of one day, and are satisfied by the transfer required; by the earliest hour of the morning my box goes to the Bank; and therefore there need be no pressing anticipation of withdrawing from the Exchequer account money which is not required; it was required, but not for legal purposes, and it has been so applied.

2829. Sir *James Graham.*] Your Lordship probably has read the evidence of Mr. Anderson and Mr. Hoffay, with respect to the mode of transacting the daily business of payments in the Paymaster's office?—Yes; but not attentively.

2830. It is admitted, both by Mr. Anderson and Mr. Hoffay, that in the daily transactions of that business of payment, an advance, for example, is made from the Navy surplus to meet the Army deficiencies, and that in the accounts that is rectified generally within 48 hours; always within a month; am I right in collecting from your Lordship that this which is the admitted practice is at variance with the 11th section of the Exchequer Act?—I believe that even that would be a departure from the 11th section of the Exchequer Act, but I shall disbelieve that that is a statement which the accounts of the Paymaster, if inspected by this Committee, or by competent persons, would realise; for how comes it that 24,000 *l.* of the sum voted for the Duke of Wellington's funeral has not been disposed of in some legal manner during two or three years? and in the paper which is before the Committee they will find monies in the hands of the Paymaster-general, some of which have been there from the year 1841, 1842, 1849, 1850, 1851, 1852, and 1853; those monies having been in his hands to apply to any purposes that he thinks fit; and that is wholly inconsistent with the supposition of a daily, or even monthly, rectification of the account.

2831. Admitting, for one moment, that the cases you have referred to are exceptional cases, will you state your opinion to the Committee as to the daily practice, which is admitted, of transferring from the surplus, under one head, to meet

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meet the deficiency under another, corrected, as it is alleged, in the account by adjustment, generally within 48 hours, and always within a month; am I right in collecting that, in your opinion, this, the daily course of business in the Paymaster's office, is at variance with the provision of the 11th section of the Exchequer Act, which says that the money shall be applied by such officer for such service?—I think it to be contrary to that Act, but I think it to be still more contrary to the principles introduced by Sir James Graham, under which no application even of the subordinate votes, within one single department, can place without a formal and specific Treasury authorisation.

2832. Your Lordship will remember that when that Act of Parliament was passed, which contains the 11th section, there were several treasurers, amounting to at least seven in all, for the greater branches of the public expenditure, and your Lordship was the author of the consolidation of those branches; is it not your opinion that that consolidation of the Treasury accounts did render, at least very difficult, if not impossible, the strict application of the rule laid down by the 11th section?—I do not think that in the slightest degree it diminished the possibility of the application of the rules; it might have required, perhaps, somewhat larger balances and closer attention, but that excess of balance strikes me as being a small evil in comparison with the power of misappropriation now exercised and avowed.

2833. Are the Committee to understand, that if this practice be sanctioned, shall prevail, and be continued in the Paymaster's office, then the power, such your Lordship exercises, as Comptroller of the Exchequer, will be a farce and a nullity?—I think so, unless defined and sanctioned by law; because I cannot distinguish the violation of the law in the one case, though it may be small, from a general power of dispensing with law. I cannot admit, without sanction, the principle of extending it to other cases, by the exercise of a discretion which may be fatal to the public service. The law is precise in its precision, and therefore it ought to be precisely obeyed; that it was obeyed whilst there were three paymasters there is no reason to doubt; and I see no reason why it should not be as strictly obeyed under one responsible head as under three responsible heads; he has the same duty, but he is one person to administer three accounts.

2834. Then, in your Lordship's opinion, if the Legislature, when cognisant of this mode of payment in the Paymaster's office, shall sanction it, providing such other checks as it may be expedient to provide, the control of your Lordship, under the Exchequer Act, will be no longer effective or useful?—Pardon me; on the contrary; that assumes that Parliament, in its discretion, alters the law; and if Parliament alters that law, it is by the altered law that I must regulate myself. What I complain of now is, that the practice is not in harmony with the law; but if the law be altered, it would be just as easy to sanction the payments within the day; and if the law sanctioned that, there would be no difference between the law and the practice, but I am far from recommending this course.

2835. First of all, your Lordship would advise that the opinion of the Crown lawyers should be taken with reference to the existing practice, setting aside exceptional cases, whether the daily practice in the Paymaster-general's office is reconcilable with the law, and if they answered in the affirmative, that would put an end to the question?—It would put an end to the question as to the present construction of the law; but that goes also upon the assumption suggested by the question that those are exceptional cases, and the evidence before me makes it clear that the practices complained of are not exceptional cases.

2836. Then, if it should be declared by competent authority that the daily practice is not inconsistent with the existing law, or if it be inconsistent with the existing law, the Legislature think fit to sanction the practice, then wherein would be the efficacy of your Lordship's control?—It would be as clearly efficient, subject to that modification, as it is now. The money of one transfer which is made to a particular department would be for one day freed from appropriation, but after that day it would be subject to appropriation.

2837. But the practice is admitted to be in use, not for one day, but generally for 48 hours; and sometimes till the close of the month?—If it was taken with that extension to every deviation, it presents opportunities dangerous to the public service, and violates *pro tanto* not only the present Exchequer Act, but the Appropriation Act, and the power vested in the Treasury, under Sir James Graham's clause; a power still subject to that variation of issuing no money whatever but the

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money appropriated by Parliament. Issuing it for that purpose only would be a strict principle; if a power were given for one day, or for two days, or for one month; though those exceptions would destroy the spirit of the Appropriation Act, still that Act and the Exchequer Act might be in force, subject to that alteration; and you would require to see that the money that was used on the Monday for the Navy, being Army money, was restored to the Army on the Tuesday; but now there is no such check on the practice; it is indiscriminate.

2838. Saving for a moment the question of appropriation as a matter of financial arrangement, there would be then the advantage of keeping the balances low, and of paying the gross service out of the gross credits, to the utmost possible extent, subject to a constitutional check?—Certainly; the lower you keep the balances, consistently with the principle of appropriation, the better it is for all parties.

2839. Then the question is very much narrowed to the daily practice, whether it be consistent with the law or not, and if inconsistent with the law, whether the principle of the Paymaster-general's office shall prevail with some relaxation of the principle of appropriation under the Exchequer Act?—No doubt that is a question for Parliament to consider; it is not for me to give a judgment upon it in this place. My opinion I have already stated.

2840. Mr. *Bowyer*.] Are the Committee to understand your Lordship to say, that the effect of this practice at the Pay-office, of which you complain, is that the Exchequer exercises no control at all?—Quite the contrary, the whole principle of appropriation is affirmed and maintained by the strictness of my special issues. I mean the warrant which makes the issue for a specified purpose and no other. This is subsequently defeated by the subordinate departments.

2841. I understand you to mean, that in point of principle, if the law is violated in one particular, it may be violated in another; that is what your Lordship means when you say that the present practice makes the control of the Exchequer a nullity?—Precisely; but that is coupled with other practices upon which I have not been questioned, but which have been of late introduction and have all the same tendency. In this paper before me, I find that in the votes of 1841-42, 1849-50, and 1850-51, the monies were placed at the entire discretion of the Paymaster, but he being bound to spend them, for if he obeys his instructions he must keep down his balances; those monies have been employed for purposes for which they were not granted by Parliament, and this for years.

2842. I believe I am right in saying, that the advantage of having one Paymaster instead of three, is that the public service is carried on with a much smaller balance under one Paymaster than if there were three?—That is one advantage, the economy is another; but these cannot outweigh the dangers of abandoning the constitutional principle of Appropriation.

2843. Then the difficulty that I feel is, how, if one Paymaster acts as if he were three Paymasters, that advantage would still be preserved to the public?—The advantage is well explained in Mr. Anderson's memorandum; I think that the pay department is a large piece of machinery, capable of doing a great deal more work than that for which it may have been originally instituted. You must have that Department perfect, to pay 5,000,000 *l.* a year, and you may find that that department is so perfect, that it will be able to pay 10,000,000 *l.* a day without augmentation; therefore you have economy in the expenditure, as well as economy in the balance.

2844. My question was this: if the Paymaster-general acts as if he were three paymasters, are there not, in substance, three paymasters instead of one; and will it not be necessary, therefore, that there should be the same large balances which there were under the old system?—Under the old system the balances were not so large; I have shown that in evidence, that previously to the consolidation, the balances had been actually less than they have been since in many instances.

2845. In point of substance, would not making the Paymaster-general act as if he were three paymasters, be reverting to the old system under which there was not one paymaster, but three paymasters?—It would not be reverting to that in substance. In the first place, you would not require an increase of your establishment to such an extent as if there were three. The single paymaster could not claim three salaries. Mr. Anderson has shown the Committee the pecuniary economy which has resulted from the measure which I introduced;

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and that would stand pretty much as it is now. Then all that remains is the question of having larger balances. I believe that you would have larger balances in some instances; but if you take into account the advantage of saving your principle of appropriation, I think the increased balance is, comparatively speaking, nothing.

2846. Then are the Committee to understand your Lordship's opinion to be, that the disadvantage which would arise from having larger balances, by reason of the Paymaster-general acting as if he were three paymasters-general, would be counterbalanced by the advantage of a stricter observance of the principle of appropriation?—I think that the question of economy of balances is as the dust under your feet, in comparison with preserving the principle of Parliamentary appropriation. But I refer to the comparison I have already made in proving that the necessity of larger balances is misapprehended, or greatly overrated.

2847. Mr. *Williams.*]. Your Lordship has stated that balances have remained in the hands of the Paymaster-general from the year 1841, and subsequent years?—Yes.

2848. Do those balances arise from the balances of the votes unappropriated?—Yes; but drawn from the Exchequer, and placed in the hands of the Paymaster, and continuing, in the first instance, for several years. It was voted in 1841, and there is a balance of 2,462 *l.*; the last issue working upon that account, so far as I can trace it, was in the year 1854. There you have the minimum use and diversion of the money; how much longer it has been used I know not. In the case from 1854 to 1856 it may have been as much more again, for what I know. You will see in the paper the amount that remains in the Paymaster's hands; you will see that unissued for the purpose for which Parliament intended it; you will see that the rule of the Paymaster-general's office is to exhaust this balance before he draws afresh upon the Exchequer balance; and you have a demonstration that that money has been applied to purposes other than those for which Parliament intended it, and not rectified in the course of two days or at the end of the month, but continued for years so employed. This is proved by the evidence which is now upon the table of the Committee.

2849. To what department does that balance belong?—The balance in 1841 was a vote for public walks of 10,000 *l.*, and there is a balance now of 2,462 *l.* unissued and in the hands of the Paymaster to his drawing account.

2850. Does your Lordship think that all those balances ought not to be surrendered to the Exchequer, and accounted for to Parliament at the close of every year?—That is one of the most important amendments in the law which it behoves Parliament to consider. It is the recommendation of the original Exchequer Commissioners, that after a certain period in October, I think, of the year (that is, taking a year and a half), those votes should all be reconsidered, and the sums unissued should be made savings, and the account closed. That is one of the most necessary improvements in the law, and it was originally in the Report, though I know not why it was not acted upon.

2851. Is there an Act of Parliament requiring those balances to be surrendered in the way your Lordship has stated?—There is no such Act of Parliament as that which I now recommend, and as in the Report of the Commissioners on Public Accounts this recommendation is included, with the view of accomplishing a complete settlement of the annual accounts, and preventing all obscurity or mistake arising from mixing the amount of the credits for the service of one year with the amount of the credits for the service of another, "We propose that the Exchequer shall cease to give credit on the 1st of October of each year for the money voted in the year ending with the preceding December, that all credits not made use of by a day to be fixed shall be cancelled, and that the funds not applied shall revert again to the disposal of Parliament;" that is a recommendation which I venture to urge upon the consideration of the Committee. I am quite sure that nothing would contribute to greater simplicity in our accounts, and prevent the continued misapplication of money year after year for purposes for which it was never voted.

2852. What is the title of that document which you have just read?—It is the Exchequer Report, signed by Sir Henry Parnell, by Lord John Russell, by Sir James Graham, by Sir James Kempt, by Mr. Poulett Thompson, by Mr. Francis Baring, and by Mr. Edward Ellice; that report was made in 1831. There is also another recommendation in this report which has not been carried into effect, and which would produce immediate reforms in the administration

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of public money. It is this: after stating the necessity of making the Comptroller independent of the Treasury, so as to ensure his performance of duty, and to give him weight of authority to carry into effect the purposes of his office, it was suggested in the progress of the Bill that two officers acting conjunctively would be required for that purpose, for you could not rely upon one having sternness enough to accomplish the painful, and disagreeable, and arduous duties of resisting, and perhaps justly, the intended views of the Government. That proposal of Lord Granville Somerset's was rejected; but the Committee gave this recommendation, which it behoves the House of Commons to consider, with a view to the effective enforcement of the appropriation; they recommend that a law shall be passed constituting a commission of persons independent of the Crown, to be chosen annually by the House of Commons, to examine the Comptroller-general's accounts, and annually to report their opinion thereon to the House. If the Comptroller-general had that constant inspection upon his action on the part of Parliament itself, to which he is responsible, there would be no difficulty in carrying into effect the appropriation of any money. The present system of defeating and escaping from the Exchequer control never could have taken place, or at least never could have been persevered in with impunity. Even a simpler change would be found operative. If you compel the Comptroller-general to report annually to Parliament, I have no kind of doubt that his control would be found more efficient. Administrative departments would shrink from reports leading to inquiry if not to censure.

2853. What is the date of that report?—It is dated in 1831, and that recommendation is signed by the high and dignified persons whose names I have already given.

2854. You some time ago stated that a warrant for the issue of public money under the sign manual of the Queen was altered in its date?—It was.

2855. Is your Lordship aware whether the Queen gave her sanction to that alteration?—I know that I objected to it from its date, and I sent it over to the Treasury, and as quickly as I could get a return I got a return of the same Queen's sign manual warrant countersigned by the same Lords of the Treasury, with the date that was objectionable obliterated with a penknife, and the date that made it a legal instrument, if it had been done with the proper authority, substituted; this, too, was without any authentication of the change. I objected to act upon that, and the warrant was withdrawn, and a proper warrant was sent; the facts are contained in a paper before the House. (Letter from Comptroller-general to Secretary of the Treasury, 8 March 1855.) (*See* Appendix.)

2856. That is, the warrant was altered, as I understand, rather than withdrawn, making it legal by altering the date?—It was illegal because the date was altered, and by altering that date a paper that was invalid, and not worth the paper on which it was written, was converted, or attempted to be converted, into an operative document having legal force.

2857. Sir *Henry Willoughby*.] When was that done, in what year?—You will see it in the documents that are now printed. (*See* Papers, 13, p. 77.)

2858. Mr. *Bowyer*.] It could only have been made right by the Queen signing it after the alteration?—I do not presume to give opinions upon points of law; but every document in my office is a record; by Act of Parliament every paper that goes through it has the attributes of a record, and how a record is to be dealt with in that fashion and justified, I know not.

2859. Sir *Henry Willoughby*.] Can you state the year in which that occurred?—It is in the papers that are before the Committee, at page 77. It happened in 1855, in March.

2860. Mr. *Williams*.] Is your Lordship aware that that alteration of the date was made by the authority of the Lords of the Treasury, with or without the sanction of the Queen?—I really cannot say upon whose authority it was made, but it is a looseness of practice, to say no more; but I cite it to show to the Committee that the question of time, which was suggested as being unimportant, may in certain instances, as in this, constitute the difference between what is operative and legal, and what is inoperative and illegal. Even where commonplace alterations or interlineations are made in written documents coming to my office by a Treasury Minute passed at my request, they require an authenticating signature. This, though a sign manual, had none.

2861. This same warrant was again returned to the Exchequer, was it not, with the alteration of the date only?—No; at first it was so returned, but when I refused acting upon it as being illegal, a new warrant was sent to me in regular form

form immediately. I have no doubt that this irregularity must have been committed by some subordinate person. I was perfectly satisfied that none of the honourable and distinguished persons who occupy responsible positions in the Treasury would for a moment have sanctioned such a proceeding.

2862. Mr. *Wilson.*] You stated, did you not, that the same warrant was returned after being altered with a penknife?—Yes; it was returned to me so altered, as I stated in a letter addressed to the Treasury, 8th March 1855. I objected to it, and then it was withdrawn, and a *bonâ fide* warrant, executed by Her Majesty, and countersigned by the Lords of the Treasury, was sent to me, and upon that I acted.

2863. Mr. *Williams.*] You stated, did you not, that this warrant was sent to the Exchequer with the Queen's signature for the issue of public money, and that your Lordship, on account of the date being anterior to the authority given by the Act of Parliament, returned it?—Yes.

2864. And that this same warrant was again sent from the Treasury to the Exchequer with the date altered, having been scratched out with a knife and a fresh date inserted?—Yes; and on that being objected to the irregular warrant was withdrawn, and a warrant in proper form sent.

2865. Mr. *Wilson.*] When acted upon by the Treasury, I understand your Lordship not to infer that the issue was then illegal; the time had arrived, the Act had passed, and the transaction was legal, with the exception only that the date happened to be wrong?—I will explain that: I was pressed to give instances of effective control; and it was even suggested that there were only two instances of control ever known, one in Lord Grenville's time and the other in mine; I have therefore given every case in the index I have put in; the case now before the Committee is in Paper No. 13, at page 77, and is thus described:—

PRECIS of CORRESPONDENCE on Royal Orders, dated previously to passing of Act, and their Illegal Correction.

Corr. Book 9, p. 80	6 March 1855 -	- - Comptroller-general to Mr. Wilson.	- Returns four Royal Orders and Treasury Warrants issued for excess of expenditure, Navy, &c., 1855, all dated five days before Ways and Means Act received the Royal Assent. Irregular to make issues upon them under other Ways and Means, which are applicable only to Votes of *last Session*; loses no time that mistake may be remedied as soon as possible.
- -	7 „ „ -	- Mr. Wilson to Comptroller-general.	- - Agrees objections are valid. Royal Warrants will be returned as soon as corrected.
- p. 81	8 „ „ -	- - Comptroller-general to Mr. Wilson.	- - Sorry to give additional trouble in any matter of financial usage. Errors in date of Royal Orders, are corrected by erasure with a knife of *27 Feb.* and substitution of *6 March.* By Treasury Regulations, errors, when properly corrected, require authentication by Secretary's initials; but consequences might be serious if these led to alteration of an instrument affecting its legal validity, after Sign Manual and counter-signatures have been affixed. Refers to similar case in 1841, under Sir R. Peel, consequent on opinion of law officers, when new Royal Order and Treasury Warrant were prepared, reciting the error (*see* Corr. Book 2, p. 325); also to same course under Lord Derby, Corr. Book 7, p. 197; advises its adoption now. (*continued*)

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Corr. Book 9, p. 84	9 March 1855	- Mr. Wilson to Comptroller-general.	- - Understands the corrected Royal Orders should be authenticated by Secretary's initials, or new Orders obtained; former course consistent with precedent, and will be much preferable; if new Royal Orders absolutely necessary, must be obtained at some inconvenience.
- p. 85	- „ „	- - Comptroller-general to Mr. Wilson.	- - Initials of Secretary sufficient for Treasury Warrant, but as to Royal Order, strongly recommends precedents in Sir R. Peel's and Lord Derby's Government to be adhered to; as Chancellor of Exchequer, should never have ventured on possibility of altering Sign Manual Warrant after the Royal Signature had been affixed; believes the Act wholly illegal, and noticeable as such.
- p. 104	10 „ „	- - Treasury to Comptroller-general.	- - Transmitting four new Royal Orders and Treasury Warrants.

I must explain in referring to the cases in Sir Robert Peel's Government and Lord Derby's Government, that they had no relation to an act like this, altering a sign manual warrant; they were cases only similar to this, as to issuing without ways and means.

2866. When this warrant was sent the period had arrived, the Act had passed, and the Act itself then, with the exception only of the infirmity of the date, was a legal one?—Yes, I believe it was.

2867. There was no attempt to issue money before the Act had been passed?—Not in the least.

2868. Mr. *Bowyer.*] Does your Lordship say that the defect of the date, a wrong date being inserted, was a merely formal and technical defect, or that it was a material and substantial one?—It was essential; the instrument was wholly inoperative and illegal in the one case, and it was perfectly regular and legal in the other; but the alteration was made in the way that I have described, which vitiated it on other grounds.

2869. Mr. *Hankey.*] To revert to that payment respecting the Duke of Wellington's funeral, if the accounts had been kept in the way which your Lordship thinks is correct, that 24,000 *l.* which was not used at the time, would have remained in the hands of the Paymaster, but he could not have touched that money for any other purposes?—No; I suggested that it ought not to have been drawn from the Exchequer.

2870. But assuming it to have been withdrawn from the Exchequer, the Paymaster ought not to have used it for any other purposes than for the payments for the Duke of Wellington's funeral?—He could not use it according to law for any other purpose than that.

2871. Would not the consequence of that mode of keeping accounts have been, that a larger balance, by 24,000 *l.*, would have remained in the Paymaster's account in the Bank from that time to this?—That only shows the error of having withdrawn it from the Exchequer; it ought to have been returned to the savings, and then to have been applied to the public service.

2872. Would not that have been the effect, that the Paymaster's balance in the Bank would have been augmented, and remained augmented, from that time to the present, by that amount?—If it remained to his account of course his balance would have augmented, but there was no necessity for its so remaining. I have suggested its return to the Exchequer as ways and means.

2873. If in the way which your Lordship would have preferred it had remained in the Exchequer, what would have become of that 24,000 *l.*; where would it have been?—It would have been at the Exchequer account, incapable of being used for any purpose not authorised by Parliament, but capable of being used and issued for any purpose which Parliament had authorised; and it would have lessened the amount, if Government had been paying deficiency bills, of their wants for deficiency bills; they would have had in the Consolidated Fund a sum larger, by the sum of 24,000 *l.*, and it would have lessened the amount of deficiency

deficiency bills that they required, or has been otherwise issuable for voted services.

2874. But the money would, in either case, have been left at the Bank of England?—It would have been in the Exchequer account; all the accounts are at the Bank of England.

2875. It would equally have remained, as money unused, in either case?—No; it would have remained unused until the Treasury should authorise it lawfully. If it had been at the Exchequer account, in the other case, it was applicable, and has been used, at the discretion of the Paymaster, for unauthorised purposes; that is the difference.

2876. Your Lordship was alluding to the propriety of an Act of Parliament being made, which obliged the Paymaster to repay annually, or at certain periods, all sums of money again into the Exchequer eaccount which were not used for the purposes contemplated when so drawn out?—Yes; that he should make savings as he does at present, only making them systematically, and obtaining a larger amount by so making savings upon the Consolidated Fund, which then becomes the medium of legal issues.

2877. Is there not an Act now existing, which obliges that course to be adopted with respect to money paid for dividend money; is not the money paid over for the whole amount of the dividend when drawn from your Lordship's account, and is not a certain portion of that repaid again into the Exchequer, so that at the end a larger sum than the particular fixed sum is left in the Bank of England?—Yes. As to the unclaimed dividends, it is only to apply that same salutary principle to the other branches of the service, though the enactments required would have differed.

2878. It is for the purpose of applying a similar principle to other branches of the service, that your Lordship considers that that recommendation was made?—Yes, I think so, because it is more necessary. The honourable gentleman knows full well, that if we had a balance in the Bank of England which had been issued for dividends, no operation of the Paymaster, or anybody, could apply it for any other purposes than those dividends, therefore we have applied this check where it is least requisite; but as to the other branches of the service, where it is more requisite to be brought under the control of the Exchequer, there is no such check, greatly to the prejudice of the public interests.

2879. In what way is money again drawn out of the Exchequer, after having been paid back by the Bank of England, not being considered by the Exchequer or the Treasury as being immediately required?—You mean a saving; you declare it ways and means, and then it is issuable like any other part of the Consolidated Fund, to any service that the public requires to which that money can be legally issued.

2880. I mean when it is required again for the purposes of the Bank to pay the public dividends, in what way does it come back again from the Exchequer?—We are alternate receivers and payers. At times you see in the public accounts the balance of unclaimed dividends as an addition to the ways and means of the year, and in other cases, if the demands augmented, we should issue for the dividends which had been unclaimed at a particular time, but which might be claimed again; there is no difficulty in making the issue; the Bank would be immediately in funds.

2881. Does your Lordship think that there would be no difficulty in again making an issue on any other service, the same as it is now done as to the dividends at the Bank?—I see none whatever. I think that a salutary arrangement might be made by a mere Treasury Minute.

2882. *Chairman.*] Supposing this money for the Duke of Wellington's funeral had been repaid into the Exchequer, it would have required a new vote, would it not, to re-issue any part of that money, even for the Duke's funeral?—No. If you make a saving, and declare it ways and means, you use it as such for any other appropriated service, though not for the service which is satisfied by the declaration of savings.

2883. Mr. *Chancellor of the Exchequer.*] If the 25,000*l.* of the vote for the funeral of the Duke of Wellington had been made by the Government a saving, and a claim upon that vote subsequently came in, would it not be necessary for Government to take a new vote?—The Treasury would either pay it, if the claims were small, out of civil contingencies, or if they were large they would undoubtedly

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edly have got from Parliament a vote, that vote being made necessary by the previous saving.

2884. They could not have paid those additional claims out of the part which had been made a saving?—On the contrary, when the Treasury declares a saving, the Audit-office asks me whether that saving is so dealt with at the Exchequer as to prevent its being drawn upon at any future time; and I report that it is so written in my books, that it would be impossible for me to draw that money which had been saved, say upon the Navy, for any payments of the Navy services that were then claimed; but it would be ways and means for any new voted service, and you could apply it.

2885. Sir *James Graham*.] To illustrate that, 60,000 *l*. savings from the Civil Contingencies have been lately paid into the Exchequer?—Such payment is expected, but not yet made.

2886. It would be impossible to operate upon those savings for Civil Contingencies, would it not, without a fresh vote of Parliament?—Quite so. I should have satisfied the Royal order which was sent to me, and I could not have issued again except under a new Royal order; and if it recited the old vote of the House of Commons, I should find that the purposes of the old vote had been already satisfied by the issue of the saving.

2887. But the 60,000 *l*. lately paid back into the Exchequer are available as Ways and Means for any payments out of the Consolidated Fund, sanctioned by Parliament?—When it is paid back, it would, though it has not been paid back yet.

2888. Mr. *Chancellor of the Exchequer*.] Am I correct in understanding the effect of this memorandum to be, that you consider the daily practice according to which the business of the Paymaster's office is transacted, to be inconsistent with any effective Exchequer control?—I consider the Exchequer Act to be consistent with the due execution of all the functions of a Pay-office. Every issue that takes place from the Exchequer I take upon myself to say, without the hazard of a doubt, now takes place in the strictest manner according to law. What I complain of is, that the money which is issued according to law is applied contrary to law; and this is therefore inconsistent, as well as illegal, unless the Committee and Parliament assume that the Exchequer Act is a mere farce regulating the issue, but not directing the future application.

2889. Supposing the existing practice of the Pay-office were legalised, is it your opinion that the Exchequer control would become nugatory?—No, I have already stated that it would not if it were legalised after a systematic manner, as suggested in the previous questions. If it was stated that there was a certain discretion given for a day, or a day or two, and that the accounts were afterwards in 48 hours to be made up according to law, if Parliament chose to make that enactment, that would be perfectly consistent with the present system of Exchequer control, but I think it would be an unwise enactment.

2890. With regard to paragraphs 3 and 4, you state, "That in cases where such unauthorised payments are made, and the Exchequer authority is subsequently received, a rectification or adjustment of account takes place, and the proper vote is charged with a payment made anteriorly, and without authority; that under this system payments are made first without authority, and at a subsequent time the authority is obtained, without which it is impossible that such payments should legally be made;" to what practice do you refer with regard to the adjustment of accounts in this paragraph?—What I mean by that is, that which I believe the practice to be, that money is applied, we will say in 1835, to purposes for which it was not intended by Parliament, and in the year 1836 a rectification takes place, or at the end of the month, and at a future period that account, which has been so drawn upon illegally, receives back from the other account possibly an equally illegal amount which had been previously taken from the first account; therefore you have two systems of account, the one right in point of time, but wrong in point of law, and the other right in point of law, but wrong in point of time. It is the essence of every account that it should contain a statement of the real transaction entered at the time when that transaction takes place; the system of advance, and subsequent rectification renders, first, double accounts, as it seems to me, absolutely necessary, and next, accounts which are contradictory either to law or fact.

2891. Is

2891. Is not the present system of double accounts rendered necessary by the Exchequer; is not the payment at present or the Exchequer credit a fiction?—I cannot understand a transfer carrying with it the power of drawing and using money to be a fiction; on the contrary, Parliament answers the question for me, for Parliament declares and enacts that the public accounts shall be made out according to the payments into the Exchequer, and the issues out of the Exchequer, and that there shall be an annual account, and in that account Parliament deals with all those transfers and credits as payments.

2892. Are not payments by the Paymaster, and payments out of the Exchequer, two totally different things?—I think they are; the latter are legal, and the former illegal.

2893. If we compare a legal payment by the Paymaster, and a legal payment out of the Exchequer, are they not in their nature two totally different operations; is not one a mere transfer of account; whereas in the other money actually passes?—No doubt of it; the one is an account of distribution, and the other is an account of appropriation.

2894. Do you think it objectionable that an account should be kept of that substantial operation of the Pay-office, which consists in the actual payment of money?—I certainly do. If that is kept, it ought exactly to tally and coincide with that from which it now differs, namely, the authorisation given by my credits. The one will be a check upon the other; whereas, if I am to grant credits according to the Appropriation Act, and the Paymaster is to spend according to his discretion, it is quite clear that the one account can never be a check upon the other.

2895. Did not you say that you had no objection to the Paymaster keeping a drawing account with a single balance?—I think it is very possible that such system may be perfectly realised unconnected with any abandonment of the principle of appropriation, but as, notwithstanding Mr. Anderson's invitation to me, I have not visited the Pay-office, or superintended their books and balances, I am unable to answer it with effect.

2896. Do you believe that it would be possible to reconcile such a system as that with the maintenance of the Exchequer credits, and yet to keep only one account?—I believe that it would be perfectly so. I believe, with the ability that I have at my own command in my own office, men of the highest possible character and ability, and of large experience, who were selected exclusively from their past services, I should be able, if I had access to the Paymaster's office, to answer that question more strictly.

2897. The fifth paragraph is, "That Army, Navy, and Ordnance Funds may thus be used interchangeably, contrary to the express provisions in the Appropriation Acts, trusting to a subsequent rectification of accounts which shall give a legal semblance to what had previously been an illegal Act." Is this your meaning, that it is competent to the Paymaster, under the present system, to appropriate to either of those branches of expenditure a sum in excess of the votes?—I believe if he is called upon by a Navy requisition, or an Army requisition, to pay for Navy or Army purposes, if at that time he had a balance of the vote for the Duke of Wellington's funeral, and no Army or Navy monies, it would be open to him to apply that money intended for the Duke of Wellington's funeral to the purposes of the Navy, trusting to subsequent rectification. This is admitted in the fullest manner by Mr. Anderson, Question 1096, to which I beg to refer. With regard to an assertion in Sir Charles Trevelyan's memorandum, which suggests that Lord Grenville, in the case of the Russian-Dutch Loan, had given way to the authority of the Government, I have copies of the original papers now in my possession, showing that it was to the opinion of the Law Officers of the Crown that Lord Grenville deferred, abandoning his first impressions. These papers I will, with the permission of the Committee, hand in—(*the same were delivered in.*) I also beg leave to hand in a paper, showing the original Treasury Minute of the 22d of December 1848, with regard to the issue of Exchequer credits; and also showing the Minute, as amended, in consequence of my letter of the 16th of January 1849.

Vide Appendix

[*The same was delivered in, and is as follows:*]

MINUTE,

The Right Hon. the Lord *Monteagle* of *Brandon*.

26 June 1856.

MINUTE, 22 December 1848, and Amendments made thereon, in consequence of the Letters from the Exchequer.

ORIGINAL MINUTE.

§ 4. THE course to be followed preparatory to the issue of credits on the Exchequer in favour of the Paymaster-general is pointed out in their Lordships' Minute of the 26th September 1834, for the regulation of the Office of the Receipt of Her Majesty's Exchequer.

§ 6. The Exchequer credits to the Paymaster-general will be granted on special applications, to be made by him to their Lordships.

§ 7. By the 11th section of the Act 4 Will. 4, cap. 15, Royal Orders are required to empower the Lords of the Treasury to direct the Comptroller-general of the Exchequer to grant credits for the various services voted by Parliament, upon which Treasury Warrants and Letters are founded, as required by the 12th section of the same Act. Issues charged on the Consolidated Fund are made upon Treasury Warrants, without Royal Orders, as authorised by the 13th section of the Act.

§ 8. These regulations will continue to be strictly observed; and no other alteration appears to their Lordships to be necessary in the Orders heretofore issued than to grant to the Paymaster-general the credits which have hitherto been granted to the Paymaster of Civil Services, and to the Paymasters of Exchequer Bills.

Papers, P. 90.

Compare Trevelyan's Minute, 1848, P. 60, p. 12, 13.

MINUTE Amended in consequence of Lord *Monteagle's* Letter of the 16th January 1849.

§ 4. THE course to be followed preparatory to the issue of credits on the Exchequer in favour of the Paymaster-general is pointed out by the *4th Will.* 4, *cap.* 15, *for the regulation of the Exchequer*, and in their Lordships' Minute of the 26th September 1834, *issued in pursuance thereof.*

§ 6. *The directions for* Exchequer credits to the Paymaster-general will be *founded* on special applications, to be made by him to their Lordships.

§ 7. By the 11th section of the Act 4 Will. 4, cap. 15, Royal Orders are required to empower the Lords of the Treasury to direct the Comptroller-general of the Exchequer to grant credits for the various services voted by Parliament, upon which Treasury Warrants and Letters are founded, as required by the 12th section of the same Act. Issues charged on the Consolidated Fund are made *by credits given* upon Treasury Warrants, but without Royal Orders, as authorised by the 13th section of the Act.

§ 8. These regulations will continue to be strictly observed; and *the only* alteration *which* appears to their Lordships to be necessary in the Orders heretofore *in force is, that the credits* which have hitherto been granted to the Paymaster of Civil Services, and to the Paymasters of Exchequer Bills, *shall for the future be granted to the Paymaster-general.*

FURTHER Addition made in consequence of Lord *Monteagle's* Letter.

" WHILE by these arrangements the con-
" stitutional check exercised by the Comp-
" troller-general of the Exchequer on the
" issue of the public money under the 4th
" & 5th Will. 4, cap. 15, will in all respects
" be maintained, the regulations which their
" Lordships prescribe for the Paymaster-
" general's Office will afford this Board a
" FURTHER control over the expenditure in
" detail, which will enable their Lordships to
" ensure that no payment is made on the
" order of any Department beyond the
" amount of the specific grant of Parlia-
" ment *legally* applicable hereto."

Lunæ, 30° *die Junii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.
Mr. G. A. Hamilton.
Mr. Wilson.
Mr. Williams.
Mr. Hankey.
Mr. Bowyer.
Sir James Macgregor.
Sir Henry Willoughby.
Mr. Chancellor of the Exchequer.
Mr. Cardwell.
Sir James Graham.

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

The Right Honourable the Lord *Monteagle* of *Brandon*, further Examined.

The Right Hon. the Lord *Monteagle* of *Brandon*.

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2898. Mr. *Chancellor of the Exchequer.*] AT the close of your last day's evidence your Lordship was proceeding to explain your meaning in reference to the fifth paragraph in page 96 of the memorandum, respecting the power of using, interchangeably, the funds of the Army, Navy, and Ordnance; will you now complete your explanation?—My explanation is that such a practice of using those funds, interchangeably, seems to be avowed, but I can at once explain what I meant by that by referring to the evidence which is already before the Committee. I think it is stated clearly by Sir Charles Trevelyan, by Mr. Anderson, and also, though in a more qualified manner, but coming to the same result, by Mr. Hoffay, that the money which is passed into the drawing account is used for any services which may require an advance. I have already referred to a statement of Sir Charles Trevelyan, in which he speaks of that as being the ordinary and daily practice. "The Paymaster habitually uses money belonging to one head of service in making advances for another head of service in the ordinary transaction of the daily business." I refer also to Mr. Anderson's Answer to Question 1074, in which he says, "The money issued for one service may, as a matter of necessity, be paid for another; therefore," he says, "the check is not with the Comptroller, but really with the Paymaster." He says in answer to Question 1077, that they issue from the drawing account monies for any service for which they have not Exchequer credits. But then, at 1079, when this question was put still more pointedly, "Supposing there are miscellaneous votes unprovided for, would you, if called on, and having a credit only for Army, Navy, and Ordnance, from those services issue for miscellaneous services?" The answer is, "There is no distinction in the cash at the Bank." In Question 1081, the statement is carried further; he is asked, "Did it ever accidentally happen to you to issue in cases where there was no vote of Parliament?" The answer is, "The anticipation of votes of Parliament is a great question." Finally, comes the conclusive question, "I ask you the fact?" and the answer is, "It no doubt has happened, and does happen every year, when Parliament fails to make provision in due time for the public services." In dealing with a supposed case of excess of Navy Votes, Mr. Hoffay is asked, "You could not return it into the Exchequer?" and he replies, "No; but I might apply it to other services." (2489.)

2899. Leaving out of view, at present, the anticipation of votes which is admitted to be an irregularity, and taking the ordinary daily practice of the Pay-office, is it your opinion that the appropriation to the several purposes of the Army and Navy, out of the common balance in the drawing account, is a departure from the existing law?—Unquestionably, as in this case.

2900. Do you think that there ought to be a separate drawing account kept for each of the great services?—I stated that there were two questions which required

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required to be kept separate. There may be, by law, as I have taken the liberty of suggesting, a general account equivalent to the drawing account, provided that the monies paid into that drawing account are kept as they ought to be kept, under the head of the separate services, and provided the amount which stands to that drawing account and legally applicable to the particular service requiring an issue, be not exceeded, I see no difficulty whatever in this, or at least no difficulty but one that might be surmounted by half a day's consideration, and the law be maintained.

2901. According to that plan of keeping the accounts, you think that the public would have the benefit of a single drawing account?—I think that the public may have that benefit; but I have already stated that I cannot deny that such benefit would be purchased by somewhat of an increase of the balances, but I again repeat that such increase of balance is as nothing in comparison with the maintenance of the principle of appropriation, on which depends the preservation of the dearest privileges of the Commons of England, and the liberties of the people.

2902. How would you deal with the question of imprest accounts; take the case of the late war, in which there was a necessity for keeping a large commissariat chest at Constantinople for the army and navy, how would you deal with that case?—I would deal with that case in this way; In the first place, the Committee will recollect that I have told them with respect to the interior mechanism of the Paymaster's office, I am perfectly ignorant; I only know it from inferences drawn; but I would say that the case put would be dealt with with peculiar facility in the case of the late war, seeing that two large sums of 3,000,000 *l.* each were voted without appropriation, to enable the Government to get through the difficulties before them. A further unappropriated sum of two or four millions is likely to be granted in the present Session. If you ask me further, I should say that it might be met as well as in the Duke of Wellington's wars, when there were three separate Paymasters, and there could be no such proceedings between Somerset House, Whitehall, and the Ordnance, as there are now under the present system, with its unauthorised advances and its rectifications or adjustments of account.

2903. During the Duke of Wellington's wars, was the navy drawing upon the commissariat chest as well as the army?—I presume for certain purposes, the navy might have drawn, but the Right honourable Member will know that I cannot be conversant with the proceedings in that war. At the present time, I presume, navy services are occasionally paid out of the commissariat chest fund. But that is a fund for extraordinary payments.

2904. Was not the system of army extraordinaries at that time carried very far, so as practically to defeat any system of separate appropriation?—The system of army extraordinaries, I believe, was never carried further than it was carried wisely and judiciously at the suggestion of Mr. Gladstone, when the three millions voted during each of two successive years, and the whole commissariat chest was available then as the Army Extraordinary Account had been available previously during the wars of the Duke.

2905. Generally, do you believe that your principles of a strict and specific appropriation in the Pay-office can be carried into effect in all the commissariat chests on all foreign stations all over the world, either during peace or during war?—I think it very possible that, in respect to foreign stations, there may be a necessity for obtaining advances from the military chests upon those stations, and which advances are limited and justifiable only from the necessity of the case, and which, even if admitted to the utmost extent as relating to the peculiar services on foreign stations, offers no justification whatever for a violation of the law, and which I contend takes place now habitually from day to day, at home as well as abroad. Besides, advances from the commissariat chest prove but little, it being an extraordinary fund of the nature of that for civil contingencies.

2906. Do you believe that the present Exchequer Act was ever strictly carried into effect from the time of its passing, with regard to the Army and Navy Services, according to the principles which you recommend?—In the first place, I can state that from the passing of the Exchequer Act up to the time that I resigned the office of Chancellor of the Exchequer, I never received from the Exchequer any one intimation of a violation of that Act. I say further,

that

that I never directly or indirectly gave countenance to the possible application of the Army Vote going to navy purposes, or the Navy Vote going to ordnance purposes, during the whole of that time, nor do I believe that ever such a transaction was sanctioned; but if I am asked whether, if on a foreign station, a ship required repairs, or some accidental circumstance of that description took place, it was not carried into effect at that foreign station out of the military chest, or whatever resources were available, I am sure that it did take place, and it ought to take place, it is impossible that that can be provided for absolutely; and if that advance was made from the military chest it would at once appear upon the drafts of the Commissaries, and it would be repaid from the service that had received the benefit of what was done.

2907. You are aware that according to the present system of managing the Pay-office, the Paymaster-general is required to issue from one balance, but never to issue money for any purpose which is not sanctioned by a vote of Parliament with reference to the army and navy?—If that be the order it is disobeyed.

2908. Can you show without reference to the technical mode of keeping the accounts, but in substance, according to the present practice, that money is ever appropriated to the army and navy in excess of the vote of Parliament?—I have no means of showing that, nor do I apprehend that that is ultimately the case; but I have stated that what I object to, is doing an illegal act to be remedied by subsequent rectification; I have no doubt before it comes to an end that that which has been illegal may be made legal by rectification; but that is not the law of the land.

2909. The question is whether your construction of one clause in the Exchequer Act is correct; if it be, there may be a doubt as to the practice of the Pay-office; but the object of my question was to ascertain whether, according to your view, there is any thing in the practice of the Pay-office which would sanction the application of the public monies to any purpose for the service of the army and navy in excess of the vote of Parliament?—I conceive that the practice of the Pay-office, as it has been stated, does show that there prevails a system of applying money without a vote of Parliament, which is the strongest case of excess that can be put. It shows also that the practice of the Pay-office allows the payment of money without the authorisation which Parliament itself has established as a condition precedent for those payments. It shows also that this system of illegal payments is presumed to be set right by subsequent adjustment. When a system prevails which has allowed the application of 25,000*l.* of the vote for the Duke of Wellington's funeral to other purposes than those voted by Parliament, this misapplication continuing for years, and being at length only discovered in debate, I cannot help thinking that this is a system which admits of payment and appropriation of public money without Parliamentary authority or in excess of the Parliamentary vote.

2910. Assuming that this sum was appropriated from the Miscellaneous Estimates, can you show that that 25,000*l.* or any other 25,000*l.*, or any sum whatever can, according to the present system, be appropriated in excess of the vote of Parliament to the Army or Navy Estimates?—I have no doubt that the system admits (which is not denied) of the application of the army money to purposes, and of navy money to army purposes; and that practice is justified by the suggestion of having at the time no army or navy grant to apply to those specially appropriated purposes. In every one of those cases I consider that there is an application in excess of the authorised sum, because the Right Honourable Gentleman will see that a vote of the House of Commons, however efficient and powerful it is in one sense, does not justify the application of one farthing until a Royal order has been obtained, a Treasury warrant issued, the legality of the one and the other ascertained, and an Exchequer warrant issued ordering that expenditure. Without those conditions, all payments are illegal, and therefore an excess, if not of the Parliamentary vote, yet of the Parliamentary authority, but it may also be, at least for a time, in excess of the vote. Such was Seymour's case; he was impeached, not for having given, but having lent navy funds to army purposes. Even if that had ultimately been adjusted or rectified, the offence would have been the same.

2911. Your Lordship's doctrine is, that money in the Paymaster's office, on the drawing account, has its earmark, and that it must be appropriated to the purpose

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purpose for which it is designated in the Exchequer credit; but can you show that, according to the present system, if the vote for the army is, for example, 6,000,000 *l.*, that practice permits the appropriation of the monies voted for the navy, to the extent of six millions and a-half or seven millions?—It gives facilities for such a practice; and if the Paymaster-general's accounts are well inspected, with a view to tracing the transactions from day to day, and above all, at the commencement of every quarter, the Committee and the House of Commons will then have the means of discovering whether irregularities of that character, and to that extent, prevail.*

2912. You state that it gives facilities for such a practice: are you prepared to state that if the present instructions are strictly carried into effect, such a practice can possibly exist?—If the question is confined to the state of the army and navy account every day in the year, I have no doubt that such instances occur; but if you select your own point of comparison, and select the time when the previous errors have been rectified by the adjustment of accounts, then I believe you will find that everything is ultimately brought straight. Mr. Hoffay, the Acting Paymaster-general, only states (Question 2451), that *as a rule*, this is never done.

2913. Can you give any proof whatever of your suspicion, that at certain times these irregularities do occur, that is to say, that money is appropriated by the Paymaster-general in excess of the vote for the army or navy, without reference to the origin of the issue, but simply looking to its destination?—Most assuredly I cannot give an account of the Paymaster's office in his issues of 50,000,000 *l.* in any one year, when I have never had recourse to his department at all.

2914. When you state your belief or suspicion, can you lay before the Committee any grounds upon which that suspicion rests?—I lay the ground upon this principle, that it is admitted that the navy money is appropriated for army purposes, and army money is appropriated for navy purposes, without any legal warrant for so doing, and admitted that issues are habitually made in an unauthorised manner; I rest on the statements and arguments contained in my memorandum, and still more on the evidence taken before this Committee.

2915. In paragraph 6, you state, "That in like manner the civil services may be made interchangeable within themselves, or may be made applicable to the three great services, or to the payment of charges on the Consolidated Fund, before the payment for such charges have received a legal sanction." Is your Lordship's meaning in this paragraph similar to your meaning in the previous one?—I wished to describe what I believe will take place to-morrow morning, that long before there has been any authorisation to pay charges upon the Consolidated Fund out of other funds, at the command of the Paymaster-general, those payments will be made without authority and without law.

2916. What is your meaning in these words, "Before the payment for such charges have received a legal sanction;" what do you consider to be a legal sanction for the payment of charges upon the Consolidated Fund made by Act of Parliament?—There is first the Act of Parliament which I presume to exist, but no payment can be made solely by force of that, unless the law be in all respects complied with. There must be ministerial responsibility expressed by a Treasury warrant, and that Treasury warrant must be submitted to the Comptroller of the Exchequer, and he must ascertain its legality, and do as he had not unfrequently to do, exclude charges to which he objects on the ground of their illegality. He must then grant a credit, and upon that credit the issue may be legally made, but not otherwise, and the consequence of a want of prudent adherence to this has been, that I have known instances of payments made of sums to which I took exception on legal grounds. I have myself known payments made by the Paymaster in anticipation.

2917. What is the present practice to which you object, with respect to payments out of the Consolidated Fund?—I will tell you in one word: it is to payments made without lawful authority. In endeavouring to accomplish a rightful

* The army vote of 6,000,000 *l.* would not be taken in one sum, nor on one night; and with one-half of that sum voted, it might be of great convenience to a Government to have a power of applying it to purposes not then voted. Mr. Hoffay refers to a case in which this was done (Question 2451), which the witness accounts for in consequence of the peculiarity of the occasion.

rightful object, one that was perfectly legitimate, to save the trouble to the Treasury of copying out twice over very long accounts, a most unfortunate mistake was made. It is the duty of the Treasury, if they wish to get a prompt payment, to lay before the Comptroller-general the documents upon which alone he is entitled to issue his credit. That was done by transmitting to me, a day or two before the quarter-day, the draft account of charge. It was then considered, its accuracy ascertained, and the payments were ready to be made on receipt of the issuing warrants; not as described by one of the witnesses, but as described in the correspondence between the Treasury and the Exchequer, which is now before the Committee. By laying these warrants in time before the Comptroller-general you obtain your credit upon the quarter-day, and you are put in funds consequently to make your payment legally after its legality has been ascertained; that is not done; the original warrant is altogether withheld; the issuing warrants are not furnished in time for the inspection, and the payment is made without any authority whatever, and is made out of funds which are in nowise by law appropriated for such service.

2918. But there is a general Treasury warrant for all those Consolidated Fund charges, is there not?—There was, but that has been suppressed; and then there comes the special warrants, and there is no objection to the suppression of the general warrant if the special issuing warrants, which are the effective warrants, were sent in time, but those are not sent in time; the Treasury nevertheless make payments as if the warrants had been submitted to the Exchequer, and sanctioned, as if they had been put forward legally, and as if the Exchequer credit had been granted; all those issues are made in anticipation of the legal authorities, and are made contrary to law.

2919. You stated that there ought to be a general warrant before a special warrant, did you not?—No, on the contrary. I have just stated the reverse; it was an old habit, and the Treasury complained of it as a matter of burthen and trouble to themselves, though its omission was putting an end to a practice which had been invariably known from the year 1817, on the establishment of the deficiency bill system; it was discontinued in 1854, and for the first time, I think, and the Treasury did right if they had then substituted the real issuing warrants, but they did not send them; they did not come in time to be inspected and controlled; they are never delayed a day with me, unless there is any fault or irregularity to be repressed; by not furnishing those warrants, yet in making the payments which the credits issued under these warrants can alone legalise, they act in anticipation of the lawful authority, and they pay money out of money not appropriated for the purpose.

2920. Your complaint is, that the Treasury give authority for charges upon the Consolidated Fund before the issuing warrants have been examined at the Exchequer?—Yes, before the credit upon which alone such payments can take place legally has been issued.

2921. How do you propose that that practice should be amended?—I took the liberty of laying down, at the request of the Treasury itself, a mode of doing it which is as simple as the most common operation of Treasury practice; it is, that the issuing warrant should be submitted for examination and approval, and the credit issued before the actual payments take place; that could be done quickly and without the slightest difficulty, and I had every reason to expect it would be done, but it is not adopted, and the illegal practice is persevered in.

2922. You referred before to the case of Mr. Mahoney, and stated that money had been issued for a deceased officer, and that you had corrected the error; will you refer to the correspondence in which that case is explained, at page 40, No. 13; does not it appear from that correspondence that the practice of the Treasury was correct in issuing the money for this person until that department had received a proof of his death, which was not given until the 30th of May 1850?—I take this willingly as a test as to how far the practice is correct or not. In the month of January the Treasury returned upon their warrant a statement that Mr. Mahoney was dead; therefore there was no doubt about the fact, or that it was anterior to that date, yet in the month of April the same Board of Treasury returned their warrant, reporting that Mr. Mahoney was alive, and directing me to pay a quarter's salary for a gentleman who, three months before, they had informed me was dead. I declined doing so, as that was not the regular practice.

2923. How does that appear?—It appears in the very evidence before you.

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2924. Mr. *Williams.*] Was Mr. Mahoney alive?—No, he was dead.

2925. Mr. *Chancellor of the Exchequer.*] The practice of the Treasury is, that a person is kept on the schedule of salaries until he is legally proved to be dead, but the Paymaster does not issue the money until an application is made by the persons legally authorised to receive the salary. Can you show that any inconvenience arises from the present system, or that it is desirable that the Treasury should act upon mere rumour in striking persons off the schedule?—Not on mere rumour; but that cannot be considered to be the case in this instance. There are other cases, but there is a case in which the Treasury placed a charge on the Consolidated Fund for the late Lord Shannon and Lord Manners, whom I knew to be dead; but I could not act upon my own knowledge. I reported to the Treasury that Lord Shannon's death was a matter, not of newspaper notoriety, but of proof, because his son, the present Earl, had applied to the House of Lords, and had established his right of voting, thereby proving that his father was dead; and the Treasury, notwithstanding this, put the charge upon the Consolidated Fund. The cases of the late Lord Manners, of Chief Baron Alexander, and of Judge Littledale may also be referred to. Nevertheless I admit that there are difficulties as to this part of the case, but I suggested a remedy to the Treasury, which the Treasury adopted; and I believe, if the Treasury adhere to it, that it will be a sufficient remedy. Although in the case of persons of high rank and consideration the Treasury may be aware of their death, there are many cases in which, if you take salaries or retired allowance as examples, deaths may not be known, and the check can only come in subsequently; but inasmuch as all those cases, if put on the Consolidated Fund, may create the power of paying a larger sum than that which may eventually become payable, I ventured to recommend to the Treasury that there should be a quarterly return made to the Exchequer of all sums not issued by reason of the death of the parties, between quarter-day and quarter-day, and that those sums should be returned to the Exchequer. If this is adhered to it affords a clear remedy, and that suggestion of my own was adopted and ordered to be carried into effect by a former Board at the Treasury.

2926. With regard to the case of Mr. Mahoney, it appears from the Report of Mr. Chalmers, the Deputy Paymaster of Civil Services in Dublin, that it was not till the 30th of April that the precise date of the late Mr. Mahoney's death was ascertained, namely, the 21st of July 1850, when the widow, his administratrix, was authorised to draw a bill for 32 *l.* 2 *s.* 4 *d.* for the salary of the deceased; would it have been possible for the Treasury, before they knew the precise date of Mr. Mahoney's death, to authorise the Paymaster to issue any definite sum to him?—It would have been quite open to the department, when they themselves had been so well aware of Mr. Mahoney's death in January as to have struck him off the list, and then declared him not entitled to any portion of the January quarter, to be aware that in the April quarter the same Mr. Mahoney could not by any possibility be alive and entitled to any pay whatever.

2927. At all events this was no error on the part of the Treasury, but it was done in accordance with their habitual rule, the established rule being to keep every name upon the schedule until there is legal evidence of the death tendered; under these circumstances, does it appear to you that it can be stated with correctness that this case of Mr. Mahoney was owing to an oversight?—I know not from what it arose, but the department knew of his death in January, and yet they directed me to pay him a quarter's salary in the subsequent April quarter.

2928. Would that direction have enabled any person to obtain Mr. Mahoney's salary without due authority?—Clearly not.

2929. Is not the material question the payments in the Paymaster's office; is not that the transaction in which the money really passes?—That question has been put to me more than once. I should not be called on to make a transfer, unless there could have been legally a consequent payment. I am at a loss to conceive how, with any reference to our mode of keeping public accounts, separation can be made between the transfer and the payment; every transfer on credit is a payment in the sense of the public service of the Exchequer.

2930. In this case was not a correct payment made to Mr. Mahoney's representatives?—I have no reason to doubt or affirm; but I know the charge was put upon the Consolidated Fund on behalf of the dead man.

2931. Does not Mr. Chalmers, the Deputy Paymaster of Civil Services in Dublin,

Dublin, state in his official report, that when the precise date of Mr. Mahoney's death was ascertained, the widow was authorised to draw a bill for 32 *l.* 2 *s.* 4 *d.* for the salary of the deceased up to that date, and have you any reason to believe that that was not the correct balance of the salary?—I have every certainty that it was not paid out of that fund, unless paid illegally; it was put upon the Consolidated Fund for April; it could not by any possibility have been applied to any arrear due before a death anterior to January; this would be the application of an irregular argument to defend an irregular payment. The sums put upon the Consolidated Fund in April would not have been applicable by law to the payment of the salary of a man who died before January; it might have been paid out of some previous balance which might be due to Mr. Mahoney, and rightly paid. But the Committee will recollect that I only alluded to this case to show the exercise of the control of the Exchequer; it is not as attributing blame to Mr. Chalmers, who is a most excellent officer.

2932. Is it your meaning that the error consisted in this: that the right sum was paid to the right person out of the wrong balance?—No; what I attribute as an error is, that in that warrant upon the Consolidated Fund, the charge was put to pay the salary of the dead man who was not entitled to receive it. I refer to this to show that this branch of the service requires control.

2933. Did the representatives of the dead man receive any sum which they were not entitled to receive?—I reported the case, and stopped the money, and they could not receive it consequently out of that money.

2934. If you had not reported the case, would the representatives have received anything which they were not entitled to receive?—I cannot say what might have happened under such circumstances.

2935. Does it not appear from the report of the Paymaster of Civil Services in Dublin, that he was perfectly cognisant of the case, and that he was only waiting for legal evidence of the exact day upon which Mr. Mahoney died?—I cannot comprehend how his death could be so present to all the authorities in January, that they struck him out absolutely off the list as dead, and in the month of April put on the same charge again on the ground of his being alive.

2936. Are there any other cases of irregular payments for charges upon the Consolidated Fund that you wish to mention?—There are many charges inserted in the Consolidated Fund which I have struck off, and in many cases I have suspended payment. One of those warrants is a warrant of many pages, filled up with a great number of names, and the sums directed to be paid subjoined to each. The Committee might wish to see one. Where I object to a single payment I suspend that payment until I am satisfied of its legality; the Treasury have been at issue with me on that subject of late, and they have denied my right to suspend the payment of any one of those charges that are put upon any of those warrants, however doubtful I may be of its legality; they have distinctly denied that right, and I distinctly affirm it; I act on that conviction, on the ground that without that power I should have no power of exercising my functions.

2937. Under paragraph 7 you state, "That issues to defray charges on the Consolidated Fund may be misapplied in the same manner." That paragraph has probably been illustrated by your Lordship's previous answers?—Yes, and by the examples given in the memorandum.

2938. Is there anything further that you wish to state upon that?—I think nothing more. I refer to the memorandum, by which I abide.

2939. The latter part refers, I presume, to the whole case, "That in this manner payments may be made: first, for services not voted by Parliament or sanctioned by statute." Will you have the kindness to state how it is possible, under the present system, that payments can be made for services not voted by Parliament and not sanctioned by statute?—It is stated by witnesses, officially cognisant of the transaction, that payments are so made in anticipation of votes; that is, payments without the sanction of Parliament.

2940. It is admitted that payments in anticipation of the vote is an irregularity which nothing but the necessity of the case can justify, but that is not a part of the habitual practice of Government, or of the Paymaster-general's office; can you point out that it is a part of the ordinary practice of the Paymaster's Office or of the Treasury, to make payments "for services not voted by Parliament or sanctioned by statute"?—I have no doubt that there are; and I have the greater confidence in believing that cases of that kind exist, from the

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answers which have been given; I refer to the evidence of Mr. Anderson and Mr. Hoffay. I took the liberty of proposing very respectfully to the Treasury in that memorandum, that a return should be called for of all those cases; that return I do not believe has been called for, but if it is called for, it is the Paymaster-general that would give you the information.

2941. This is a positive statement made in your memorandum; but is it made without any evidence accessible to your Lordship to support the statement that payments may, according to the present practice, be made "for services not voted by Parliament or sanctioned by statute"?—Yes, I make it again, and it is supported by the evidence given before this Committee. Mr. Anderson states (1081), "the anticipation of votes is a great question;" and when pressed further (1082) in the words, "I ask you the fact," he replies conclusively, "It *no doubt* has happened, and *does happen every year*, when Parliament fails to make provision for the public service. I am convinced that that is the case, and I appeal to the accounts of the Paymaster to set me right if I am wrong; but the admission as to paying in anticipation of votes proves the fact in certain cases; how far those cases go depends upon facts which are not known to me, namely the cases to which the observation applies. It could not take place under any circumstances, if the provisions of the Exchequer Act were adhered to, or indeed if the provisions of the Appropriation Act itself were adhered to, but both are set aside.

2942. Are the Committee to understand that at present you are not prepared to produce any evidence in support of that assertion in the memorandum, that under the present system payments may be made "for services not voted by Parliament or sanctioned by statute"?—I produce distinctly and unequivocally the following evidence: Mr. Hoffay is asked, at Question 2445, whether payments are made "for services not voted by Parliament, or sanctioned by statute;" and his answer is, "If you mean those accounts that we hold, those monies which appertain to the departments, of course payments are made that are not voted by Parliament; otherwise my answer would be in the negative." I do not attach much importance to that answer, for I do not quite understand the meaning of the words, but he goes on further.

2943. Mr. *Chancellor of the Exchequer*.] Does not Mr. Hoffay in that answer refer to such a case, for example, as the money that was advanced to the Turkish Government to be appropriated to certain purposes for the benefit of that Government, and therefore to monies not the property of the Government, but which were held as a matter of convenience by certain departments to make payments out of them?—I do not think that it would come under the definition of monies which appertained to the department. At Question 2447, Mr. Hoffay is asked, "Do you never advance for a service before a vote is taken?" and his answer is, "No; because I do not think that it has ever been necessary, so far as I recollect; of course, if Parliament were late, I do not know what would be done. I am not aware of any instance." At Question 2451, a more pressing question is put. "Has it not been done?" and his answer is, "As a rule it is not done; if the Committee wish me to recollect a case in which that has been done with regard to other departments, there is one case in which I believe the Ordnance ran short, and though a Supplemental Estimate was before the House, I think before that was passed we were obliged to carry on the Ordnance services with the Army grants." "That was a great service?—Yes; but in that particular year there was such an intermixture; it was the year in which they were blended with the Army department services." That is a case in which money was advanced without a Parliamentary vote, and when that was done it was out of monies appropriated to another service.

2944. With regard to payments made in anticipation of votes, the very term implies that it is a payment made without the authority of Parliament; and whenever any such advance has been made, it would clearly be an irregularity and an excess of power on the part of the Executive; but my question referred to this, whether in the ordinary course of business at the Paymaster's office, and when he conforms to the rules laid down for his guidance by the Treasury, it ever happens that payments are made "for services not voted by Parliament or sanctioned by statute"?—As to conformity to those rules, I can say nothing. Mr. Anderson says that the paymaster must receive the orders of the department to which the money belongs (Q. 1043).

2945. In this memorandum are you not describing the ordinary practice of the

the Government, and do not you describe that the ordinary practice is contrary to the law?—I was describing the errors of the practice, but, much as I condemn that practice, I am far from suggesting that that which I ventured to state came under the definition given by the House of Commons itself, in Seymour's case, of an impeachable offence, could be the ordinary practice of the department. Mr. Hoffay seems to admit this distinction; he says it is not the rule to do this, thereby admitting that it is done, though not according to the rule. But again, the Committee and Parliament have it within their own power to follow up this investigation by investigating the actual purposes and authorities of the paymaster's issues.

2946. Does not Mr. Hoffay state, in the very answer that you read, that it is not done, and that it never has been done, except in a case that he thinks is a doubtful one, namely, in the year of transition from separate Ordnance Estimates to combined Ordnance Estimates, when he says, "he thinks it may have been done on account of the confusion and intermixture of accounts when a supplemental estimate was before Parliament;" and he gives an explanation of one case which, he thinks, may have occurred, but which, he states, is a case very rare, and almost a single exception?—Mr. Anderson states it more generally, without such modifications; he says "that it does happen every year when Parliament fails to make provision at due time for the public service." The Committee will have the goodness to recollect, that to meet the cases of anticipations of votes, the civil contingency vote, upon which 100,000 *l.* stood in credit, was capable of being applied, and that, in the days of the war, to which this applies, two votes, of 3,000,000 *l.* each, without appropriation, were granted for the express purpose of meeting such cases when coming within the scope of the vote, and this without breaking down the principle of Parliamentary appropriation.

2947. Is it your Lordship's statement, that with regard to the ordinary practice of the Paymaster's-office payments are made "for services not voted by Parliament or sanctioned by statute?"—I do not mean to say that in the ordinary every-day business that occurs; I have no means of affirming or denying that, but I prove that it occurs in certain instances, and I show that the system is open to its existence in others. But I find a stronger statement upon this subject in Mr. Anderson's evidence. At Question 1096 he is asked "Anticipating the demand on the army services a write off having been obtained from the Exchequer, an intermediate payment being required for the navy services, would you not consider yourselves justified in making such payment out of money which had been written off from the Exchequer for army services?" And the answer is, "Certainly."

2948. Does that imply that any payment is made in excess of the vote?—This is paid in anticipation of the vote.

2949. Is there anything to show that that payment is not made within the legal limits of the vote?—It says, "Anticipating the demand upon the army services."

2950. That is with regard to the balance?—Then this is a clear circumstance, as showing the misapplication of navy money for army services.

2951. Then at No. 2 you say that payments may be made "for services for which no ways and means have been provided, and which cannot, therefore, legally be defrayed." Will you show how it is that under the present system payments of that nature can be made, or are made?—Such payments have been demanded repeatedly to be made, and have been only stopped by the direct action of the Exchequer; I refer specially to the cases of 15 October 1841, 19 June 1852, 6 March 1855; but they are liable to occur in any case in which a payment is made without an Exchequer credit, for the Exchequer credit is the Parliamentary evidence to the Paymaster that ways and means have been provided for that vote, and all payments made consequently without that Exchequer credit are made without evidence of such fact, and that many such have been attempted, without ways and means at all, I have already shown the Committee.

2952. Is this your meaning, that those payments are made for services for which no Ways and Means Acts have passed?—Certainly. I have had demands made upon me for making payments for services for which no Ways and Means Acts were passed, and they were stopped by my own interposition. I can furnish a return of such cases, some of which occurred in Sir Robert Peel's Government, payments which I stopped, and I afterwards objected to in Lord Derby's Government,

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Government, and of a series of payments that I objected to in the succeeding Governments.

2953. You refer to a case about the construction of the word "session" and the word "year," and the division of ways and means into two accounts instead of into one account?—That only applied to one of those cases, and however conclusive it is in matter of law upon that, in the other case there was no distinction, because there were no two sessions; in Lord Derby's Government there was an entire exhaustion of ways and means for the great services, and they then applied to me to issue some half a million for other services and there were no ways and means. I stopped that, and no paymaster could have stopped it, as I conceive. I also stopped issues on the same ground, under the present Government in 1855.

2954. Is there any correspondence on that subject?—Yes; it will be found in the papers before you.

2955. Is it your Lordship's statement that the Treasury then attempted to issue half a million of money without any Ways and Means Act?—It was a mistake made by them, by a departure from usage; the ways and means had been previously exhausted on the great services; application was made for an issue of miscellaneous votes, but no ways and means had been granted. There was a mistake made by the then Treasury; it is never usual to exhaust all the ways and means upon the great services; but in that case they went upon the unusual plan of exhausting all the ways and means upon the great services, and they applied then for issues upon the small services. There were no ways and means, and we were obliged to wait for an Act.

2956. Was it a technical error, or a substantial error?—It was a substantial error, the Treasury, though perhaps unconsciously, yet positively asking me to do that which was contrary to law. I stated that to the Government of the day, and they thanked me for it.

2957. Now the third manner in which you state that payments may be made is, "For services respecting which no Royal order, Treasury warrant, and issuing letter have ever issued, or if issued, have never been sanctioned by the Exchequer, as regular and conformable to law:" what class of cases do you refer to in that paragraph?—Every case that has been a payment without an Exchequer credit comes within that category; because the issue of an Exchequer credit, being founded upon the Royal order and the Treasury warrant, and being addressed to the Department, is an evidence that these, not forms as they have been somewhat hastily called, but legal and indispensable realities, have been carried into effect. But the Right Honourable Gentleman will have the goodness to perceive that in these questions he refers to my statement in the Exchequer memorandum, but he varies its terms in essentials, and assumes me to have stated absolutely what I stated as a possibility. I stated that under the system which I denounced as illegal, four classes of unauthorised payments may be made. This I repeat as describing the abuse of the system; I am showing that the abuse of the system may lead to those consequences; and I am now, with my present knowledge, able to say, that that which I described hypothetically as an evil possibly arising, is an evil actually existing, and that it has arisen, and that so far as it has been checked, it has been checked by the power of the Exchequer.

2958. What are the cases to which you refer, of payments made without credit standing at the Exchequer?—Every payment that goes out of the drawing account of the Paymaster for services not authorised by an Exchequer credit.

2959. Can you give an example of such a case?—I should again refer to the facts given in evidence; I cannot explain the Paymaster's account, to which I am not given access. Let the Committee call for a proper return and they will get possession of the fact. In the Exchequer memorandum, I suggested to the Treasury the accounts that might be called for.

2960. Can you give the Committee an example of your meaning when you wrote this paragraph as to the services to which you referred, when you said that payments might be made for services of that kind?—Yes, it may be done unquestionably, and I will prove that by what I have already stated, that if the Paymaster feels himself warranted, upon a demand from a department, to pay monies without an Exchequer credit, he does that without a Royal order, or without a Treasury warrant, or without an issuing letter, because every one of those documents is in my possession, and no such payment can be made; therefore the admission which has been made by Sir Charles Trevelyan, and by Mr.

Mr. Anderson (Questions 1578, 1579. 1077; Hoffay, 2437. 2439) in a still stronger manner, that payments are made every day without an Exchequer credit, proves that those payments are made without those legal instruments upon which an Exchequer credit issues, and of which it is the only evidence. No Royal order goes to the Bank of England or to the Paymaster; my authority goes, and upon that alone he is justified in paying.

2961. Can you give the Committee some example of a case in which payment is made without a Royal order, or a Treasury warrant, or an issuing letter?—I will supply that. I refer to every case in which he issues without an Exchequer credit, for that is the instrument can alone lawfully give authority to the order, warrant, or letters of issue. All these three documents remain in my hands, and are never sent forward to the Paymaster. He can only learn their completion by the Exchequer credit.

2962. At this moment you cannot mention any such case?—I shall be much better pleased to revert to my own accounts, and show one of the cases.

2963. You cannot mention any hypothetical case, or a class of cases?—I gave the Committee distinctly to understand that every payment that is made without an Exchequer warrant comes under this class; every one of them are paid without a Royal order and without a Treasury warrant, because the Royal order and the Treasury warrants are of none effect under the Act of Parliament until they have been sanctioned, and are legally established, by the Comptroller-general of the Exchequer, and the instant that they are so established my credit goes, and those payments are said to be duly made.

2964. With regard to the fourth head, you state that payments may be made "for services for which no Exchequer warrant to the Bank of England has issued, directing a credit to the Paymaster for this particular service, or head of service"?—Yes.

2965. How will you exemplify that?—I think I can exemplify that by the statement of Mr. Anderson; he was asked, at Question 1069, "You mean that you pay money to the department, which has a credit with the Exchequer, although the Comptroller of the Exchequer has not given his sanction to any money passing into your hands?" His answer is, "Precisely; there is no other course that can be adopted. It is a visionary scheme to suppose that the system of the Exchequer credits could be carried out as laid down in that Act." Other parts of the evidence go much farther.

2966. Sir *Henry Willoughby*.] Do not you state in your memorandum that those four classes of cases to which you allude may occur; not that they are general rules of action, but that such cases may occur?—The words are as clear to that effect as possible. "In this manner payments may be made: 1. For services not voted by Parliament or sanctioned by statute. 2. For services for which no ways and means have been provided, and which cannot therefore legally be defrayed. 3. For services respecting which no Royal order, Treasury warrant, and issuing letter have ever issued; or if issued have never been sanctioned by the Exchequer as regular and conformable to law. 4. For services for which no Exchequer warrant to the Bank of England has issued, directing a credit to the Paymaster for this particular service or head of service." I never dreamt of saying that it was the general principle, but I stated that it was a vicious system under which such payments may be made.

2967. Do not those words, "that such payments may be made," immediately precede the four classes of cases to which you allude?—Those words precede evidently and govern them, and nothing but the greatest misapprehension could give any meaning to my memorandum larger than that which those words imply.

2968. Mr. *Cardwell*.] So long as the drawing account and the bill account are fed from any other source than the Exchequer, so long the objections to which you have pointed will continue to exist?—Precisely so; it was to that feeding from those sources that I objected as one of the great sources of irregularity.

2969. Your objection amounts to this, that there is always a liability to a departure by the Executive Government from the appropriation ordered by Parliament?—That liability must exist as long as that system continues, and will be increased in proportion as the number of those payments to the cash accounts are augmented, and above all in proportion to the length of time in which monies paid into the drawing account are kept in the hands of the Paymaster in place of being appropriated strictly according to the law.

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2970. Without attributing blame to any particular Government, it is your Lordship's opinion that there should be Parliamentary control, and not merely ministerial responsibility?—That is the whole effect of my observations; my observations are, I hope the Committee feel, not directed against any particular Government; my course has been the same with all.

2971. Mr. *Williams.*] Your Lordship has made reference to a vote of credit, to the amount of 3,000,000 *l.* on two occasions: how is that expenditure brought to the cognizance of Parliament?—I cannot take upon myself to say how the expenditure of that sum is brought before Parliament other than in the finance accounts, or by special motion. It will be brought under the cognizance of the auditors, and in the new reports of the auditors, for which we are indebted to Sir James Graham's clause, it may, and I think must be noticed in that way; but those two votes took place during two years of war, and I am not sufficiently conversant with House of Commons' proceedings to say how far any special account of that distribution has yet taken place.

2972. Did that pass at all through the Exchequer like other votes?—The money passed of course into the Exchequer, and I had to issue it, but I had to issue in the absence of any appropriation except that which Parliament had itself introduced into the Appropriation Act. It was applicable generally to the war, and intended to be so applicable, and the war could not have been carried on efficiently if a fund of that kind, free and detached from the ordinary rules of appropriation, had not been placed in the hands of the Government.

2973. Was the appropriation stated in the orders that were issued for its expenditure through your department?—In my department I cannot move except upon a statement of the exact vote of Parliament. I issue for the purpose of that vote in the same terms that the vote is given; in those terms do I make my issue, and under the Exchequer Act the parties receiving that money are bound to apply that money to such services; that is the proceeding, and that is the distinct provision of the law.

2974. In the case of a vote of credit no particulars as to the application of that vote are given to your department?—No, not as to the issue of it; but that does not free the Government from the necessity which I am sure is regularly observed of accounting for it; an extraordinary vote is not to allow the Government to issue that money without responsibility; they are responsible for it, and I am sure they can give a right account of it.

2975. Mr. *Chancellor of the Exchequer.*] Was not that vote appropriated to the service of the war, and could it have been legally applied by Government to any of the miscellaneous civil services?—I conceive not; the civil contingencies are specially applicable to the latter purposes.

2976. Was not it in fact this, a vote in aid of the Army and Navy Estimates?—The words of the Appropriation Act are, "Out of all or any the aids or supplies aforesaid there shall and may be issued and applied any sum or sums of money, not exceeding 3,000,000 *l.*, to enable Her Majesty to provide for any additional expense which may arise in consequence of the war in which Her Majesty is now engaged against the Emperor of all the Russias;" therefore I do not consider that simply in aid of the Army or Navy Estimates. I think that the discretion is wider, and I think that so it ought to be; there is no knowing for what service it may have been required in the Crimea; and I think any man, or set of men, would have been over fastidious if they had argued that it was confined to the army and navy estimates.

2977. Sir *James Graham.*] Are those the words of the Appropriation Act?—Yes, they are.

2978. Under those words, if the Government had thought fit to give 300,000 *l.* for the relief of Kars, it would have been quite open to them to have done it?—Yes; or to pay any foreign contingent which had never been voted, if it was in furtherance of the great contest that we were engaged in; it was not only abroad, but at home, that, I think, the vote was applicable, provided it was in furtherance of the war; to the Government were generously confided 6,000,000 *l.* sterling to expend as they thought fit for these purposes.

2979. Mr. *Williams.*] Then in point of fact, I understand your Lordship's opinion to be, that the two sums of 3,000,000 *l.* might be appropriated by Government to any purpose they thought proper?—Yes, they might be appropriated by Government to any purpose they thought proper, in consequence of the war.

2980. Sir *Henry Willoughby.*] When will the account of the expenditure of that

that money appear?—I do not know, except that it appears from the evidence of those who have referred, as I do with great respect, to the proceedings of the Audit-office, that probably the returns will not be made for a year and eight months.

2981. Will it appear in the finance accounts of the year?—The issues will appear, no doubt, as money issued in my Exchequer account, and in the finance accounts it will appear likewise.

2982. The finance accounts for the present year have not yet been issued to the Members?—No.

2983. On the 10th of June they were ordered to be printed, were they not?—Yes.

2984. And they have not yet been issued to Members?—No.

2985. Mr. *Williams.*] Your Lordship has stated that there have been instances of money being issued for the payment of the salaries of deceased persons; is there any account furnished to your Lordship of the amount of the salaries of the various officers, so that you can exercise a check to see that a larger amount is not paid than is assigned to them?—There is such an account furnished to me. By the invariable usage of the Treasury and of the Exchequer, it was the invariable practice, without exception, and until the last year, I think, or the year before, that whenever an appointment took place creating a charge upon the Consolidated Fund, the instrument of appointment was sent to the Comptroller-general of the Exchequer, in order that he might judge of its legality before it was inserted as a charge upon the Consolidated Fund. The instrument was entered and recorded with me. In the correspondence laid before the Committee, it will appear that at the time I have named for the first time the Treasury withheld that information, and not only withheld that information, but stated distinctly that the Comptroller of the Exchequer had no right to require it. My answer was, that it was impossible for me to judge of the legality of the charge without having before me the instrument of appointment; and this became a matter of contest during a long and painful correspondence, but at length, I have found that the Treasury adopted my construction, but not until I had told them distinctly that upon that construction I was determined to act; and I accordingly withheld the salaries from the want of the instruments of appointment, and I invited the Treasury to take what measures they pleased in case that act was illegal. At the present time I rejoice to think that the better and more legal practice is again resorted to, and that the original instrument of appointment is now, as it was accustomed to be, laid before me.

2986. Were those instances of appointment furnished to your Lordship during the period when the question was in dispute between you and the Treasury?—I stopped the payments; I suspended them, and I have suspended the payments even of judicial salaries on the ground, that I was not furnished with the instruments of appointment. The Committee must consider that these instruments of appointment are absolutely required, because it is not competent to me judge whether a certain payment is rightly directed, without knowing that such a person is appointed, and has obtained a legal right to the salary in question. This is carried so far, and has been uniformly acted on, that even in respect to Royal annuities to His Royal Highness Prince Albert, to the Duke of Cambridge and other members of the Royal Family, in respect to all judicial salaries, the instruments of appointment have been always laid before me. The necessity of the case is obvious, because though not applicable to all those instances, in many instances the Act of Parliament gives to the Crown only the qualified power of acting within prescribed limits, and the right of the recipient depends upon the limits within which the Crown has acted; therefore without those instruments of appointment I have no means of judging what is legally payable. A case occurred with respect to the annuity of the late Queen Dowager, in which the instrument of appointment and the interposition of the Exchequer formed grounds of inquiry in a court of law as to the rights of the executors of the Queen Dowager. I was made a party to that suit, and it was on the construction of the patent recorded with me that the legality of either making or refusing an issue depended; a sum of 25,000*l.* depended on this point, and became a saving to the public. But this controversy appears upon the face of the correspondence; it is there manifest that the copy and registration of the patent was required. I am happy to say that a better practice is now resumed, and these

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instruments, without which my office could not perform its functions, are no longer withheld, but are given.

2987. Does the Treasury furnish your Lordship with information whenever a change takes place?—Yes; it is bound to do so. In respect to pensions on the Civil List, the Treasury furnished me with the amount of every new pension imposed upon that list, and they furnished it to me with a minute, stating that it was necessary; they furnished it to enable me to perform the functions of the Comptroller-general, and yet with that minute still in existence, similar information with respect to other officers they have withheld.

2988. I understood you to say that formerly the Treasury communicated to your department every instance of a death taking place, and that that practice has of late been discontinued?—No, not quite so. I gave an instance of the practice in the case of Mr. Mahoney, examples of which can be shown in other cases; the case of Lord Shannon I mentioned, the case of Lord Manners, of two or three judges who held retired allowances, Sir William Alexander, Judge Littledale, and others, and their names were put upon the Consolidated Fund Warrant. I am, however, quite satisfied with the arrangement assented to by the Treasury, that where the charges are paid short of the whole amount, there should be a quarterly report made to me of the amount not issued at the time, and that should be paid back to the Exchequer. That is the rule now established at my suggestion, and it has been since acted upon by the Treasury.

2989. Mr. *Chancellor of the Exchequer.*] You referred to a question between the Exchequer office and the Treasury with respect to the registration of the patents of public officers, whose salaries are charged upon the Consolidated Funds; did you particularly advert to the case of Scotch judges whose salaries were transferred from the Excise Revenue to the Consolidated Fund?—I think cases of that description arose in relation to those transfers, but in other cases likewise.

2990. Previously to the transfer, the salaries of the Scotch judges had been regularly paid out of the gross revenue, had they not?—Yes.

2991. When the new Act passed, the Treasury were called upon to furnish the patents of all the existing Scotch judges to the Exchequer?—Yes.

2992. And the answer which the Treasury made, I believe, was that they were not in possession of the patents of the Scotch judges, and all they could give was a certified list of the persons to whom payments had been made out of the gross revenue?—That was not precisely the case to which I alluded.

2993. Did not that case arise?—Yes.

2994. Does it appear to you of importance that the patents of all judicial officers should be registered and kept at some office, if not in the Exchequer?—I hold it to be absolutely necessary, and I will show you why. The Act of Parliament with respect to the payments of the judges does not always accurately describe the payments which they are to receive. In several cases, above all of late years, the salary to be received by the judge has been less than that which appeared upon the face of the Act of Parliament; besides which, the time at which it commences, and other conditions, can only be shown by the instrument itself. In the case of the Queen Dowager, which was analogous to that of a judge, the whole case of the payment of one quarter's income, namely, 25,000 *l.*, depended upon the production of the original instrument; and that original instrument being produced and recorded with me, which is not the cause of any delay or any cost to the parties, enabled me to check the exact amount which was payable; and in that way there was 25,000 *l.* less paid than a different construction of the instrument would have given. In the case of the present Lord Chancellor and Lord Campbell, the judges themselves have never found the slightest difficulty or objection in complying with the law, and cases arose respecting the salaries, which are set forth on the correspondence I have put in.

2995. Are you not aware, with regard to all appointments made by patent, that the present form of law requires that several copies of the patent of appointment should be made, and deposited in the different public offices through which the patent passes?—I am not aware what the law is upon that subject; but it was so stated to me, in a communication from the Treasury. But wherever elsewhere the deposit should be made, it ought to be made in that department which is to judge of the legality of the payment.

2996. Is there not a copy of all judicial patents preserved in the Treasury?—There may be.

2997. Do you think it material that there should be a complete set of copies kept at the Exchequer?—Yes, because they are indispensable, and it can be done without increased expense or inconvenience.

2998. Did you not stop the salary of the Chief Commissioner of the Audit Board?—The case of Mr. Romilly, my excellent and valued friend, was this: he was originally a Commissioner of Audit, and he was afterwards promoted to be chief of that Board, and, by Act of Parliament, he was to receive a larger salary than he had as a commissioner. I had lodged with me a copy of his appointment as commissioner, with a salary of 1,200*l.* a year. When appointed chairman, he became entitled to receive 1,500 *l.* On his obtaining that appointment at 1,500 *l.* I asked for the instrument of appointment, in order to justify me in making the increased payment; the Treasury refused to furnish this, and I persisted. This was the origin of the new construction put by the Treasury upon the practice. I was at first informed that that instrument lay at the Treasury, and would be sent to me; it never was sent, and I was constrained to refuse the larger sum, because I had no authority to pay a larger sum than was authorised by the instrument before me. After a long contest, this was set right, under the authority of the present Board of Treasury, and the instrument appointing Mr. Romilly as chairman was at length communicated to me. The principle at stake was no less than this: whether, in placing a charge on the Consolidated Fund, I was bound to have legal evidence of the appointment, or a mere letter of direction from the Secretary of the Treasury. If I had yielded, my control would in this case, and in all similar ones, have been annihilated.

2999. Was not the increase of salary in consequence of his becoming chairman, and not in consequence of his becoming a commissioner?—It was in consequence of his becoming chairman; but no instrument, showing to me that he had so become, was forwarded to me for a considerable time after; but the moment it was forwarded, *cadit questio*; payment was made; but without proof of Mr. Romilly's appointment, I had no means of knowing whether the appointment was legal or illegal, or with what salary, or upon what condition he was appointed. Upon that point the Treasury at length determined my rule to be right, and instructed Mr. Romilly to furnish me with that instrument which had been so long withheld.

3000. In the case of Mr. Romilly, was there any doubt as to his legal right to receive an additional salary?—I am not to act upon legal doubts, I must act according to law; I know that Prince Albert is entitled to a certain annuity, but until it has pleased Her Majesty to grant that annuity, and until the instrument granting it is left with me, I have no power by law to issue the money; that is the construction which I now consider to be acquiesced in by the present Board of Treasury.

3001. You have referred, have you not, to some answers of Mr. Anderson, with respect to the issue of deficiency bills?—Yes; it was No. 948: Mr. Anderson is asked, "According to the existing state of the law, has the interest upon the debt a prior claim upon all other charges at the moment it becomes due?" and his answer is, "It is a prior charge upon the whole balance of the Consolidated Fund; on making up the account of income and charge upon the Consolidated Fund, at the close of each quarter, the whole balance which remains is set aside, and properly; it does not exceed the amount of the charge for the payment of the debt; so that we always commence the quarter without a sixpence in the Exchequer." That is followed by a still more startling announcement. At Question 252, he is asked: "Therefore it becomes absolutely necessary, at the time when the quarter's account is made up, to make a provision which shall be sufficient to carry on the supply services for a reasonable time after the close of the quarter, till the revenue of the succeeding quarter may be adequate to meet those occurring expenses?" and his answer is, "Unless that provision was made, we should stop payment in the early part of the quarter, or be compelled to borrow from the Bank on ways and means bills." What I wish to lay before the Committee is this, that so far from that being correct, I hold in my hand a statement of the surplus balances of the Consolidated Fund; and there are 13 instances in which you not only have not been in the condition of commencing the quarter without a sixpence to meet all the charges; but there is a large surplus due, after making provision for all the charges of the Consolidated Fund.

[*A Paper was delivered in, as follows:*]

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STATEMENTS of Surplus Balances on the Consolidated Fund.

Viz:	£.	s.	d.
Quarter ended 5 January 1847	1,365,454	1	5
„ 10 October „	729,195	3	7
„ 5 January 1848	882,546	15	–
„ 5 January 1849	560,542	12	8
„ 10 October „	544,887	18	11
„ 5 January 1850	1,682,808	18	10
„ 5 July „	621,650	9	11
„ 10 October „	1,266,178	8	2
„ 5 January 1851	1,012,814	9	6
„ 10 October „	259,107	4	8
„ 5 January 1852	190,542	4	4
„ 10 October „	16,432	1	3
„ 5 January 1853	474,918	14	–

3002. Does the first case occur in the January quarter of 1847?—Yes.

3003. Are you aware that from the year 1817, when the Deficiency Act was passed, to 1847, not an instance occurs in which deficiency bills were not issued every quarter?—It may be so, but I cannot answer that without reference to the accounts.

3004. For the 30 years in question there was a deficiency upon every quarter, and deficiency bills were issued; and from the year 1847 to 1853 there were certain quarters in which deficiency bills were not issued?—There were those 13 quarters in which there was a surplus in the Exchequer, contrary to Mr. Anderson's statement.

3005. Since that time there have been deficiency bills issued every quarter; is not that the case?—Yes, whenever the Treasury have exhausted our Exchequer account, then there must be an issue of deficiency bills.

3006. In comparing the quarters since the commencement of the Deficiency Act, it appears that in 143 quarters deficiency bills had been issued, and that in 13 quarters they had not been issued?—Yes; but that negatives Mr. Anderson; that does not make out the statement that we always commenced the quarters without a sixpence.

3007. The facts are, that in 13 quarters since 1817 deficiency bills have not been issued?—Yes, exactly.

3008. Mr. Anderson's statement was too unqualified?—Yes: it is contradicted by the account I have produced.

3009. Is not it the fact that deficiency bills have been issued in every quarter since Mr. Anderson has been in office?—He has been only two years in office; I believe that his statement would involve the practice of those two years; but it is distinctly contradicted, if you take it in the words in which he made the statement, which I think is exceedingly alarming.

3010. In what way would the statement be alarming?—If you enabled any one who chose to exaggerate or misrepresent, and you gave him the authority of a gentleman of high eminence, who bears in his instrument of appointment the new title of being the confidential adviser to the Chancellor of the Exchequer, to say that we always commenced the quarter without a sixpence, I should be liable to stop payment.

3011. Mr. *Hankey.*] Have the Committee any evidence that Mr. Anderson holds the position of confidential adviser to the Chancellor of the Exchequer?—There is a minute on the table of Parliament, which gives him that very title.

3012. Mr. *Wilson.*] In the first place, will your Lordship refer to your evidence given on the 2d of June, Question 636, upon the subject of the payment into the Exchequer, of the premium upon the Exchequer bills issued in the last quarter of 1853?—Yes.

3013. I wish to give your Lordship an opportunity of correcting what is obviously an error in the whole tenor of this evidence; I will call your Lordship's attention to Question 636; you were asked this question, "Has there ever been a question,

question, or was there ever a question raised in the case to which you refer, as to whether the excess of premium received upon those Exchequer bills should be repaid to the Consolidated Fund?" Your answer is, "I wish that correspondence to be distinctly before the Committee. I will put in the return, and they will see that the original point was an objection altogether to say one word about this premium." The next question is "Was it ever disputed on the part of the Treasury, that the sum of the premium obtained upon those Exchequer bills should be accounted for to the Consolidated Fund?" and your answer is, "It never was stated, directly or indirectly, that it was to be so accounted for to the Consolidated Fund, because that was what I contended for; that it could not be accounted for to the Consolidated Fund without paying it into the Exchequer; and it was that, that the Treasury never would assent to." Then in Question 639, you were asked: "If you will refer to the original paper, I think you will find in the last paragraph of that letter, a distinct statement that the Treasury never disputed that point, but distinctly admitted that the premium must be paid into the Consolidated Fund?" The answer is, "The case originated in December 1853. The letter to which the Honourable Member refers was in April 1855. In January 1853, the Treasury authorised a receipt, placing to the Exchequer account the money arising from premium and interest on the supply bills issued in the previous quarter, but in a subsequent letter they stated, that they never doubted but that the amount of premium should be accounted for and paid to the Exchequer; but they maintain that this was a question between them and Parliament, and not between them and the Exchequer. I said that it was binding on me in the issues; that I should not issue for a certain service more than the amount voted by Parliament; for that I contended, and I could not get it admitted." Then you were asked, "Am I to understand you still to state that the Treasury ever contended that the premium upon those bills should not be accounted for to the Exchequer?" and your answer is, "They did surely: they never stated that it was to be accounted for to the Exchequer; on the contrary, when I requested them to account for it to the Exchequer, they stated that it was to be accounted for, I know not how, to Parliament; but they withdrew it from the control of my office." Then in Question 642, you were asked, "Are you aware that they were issued through the Bank of England, and accounted for by the Bank of England at the end of the quarter to the Treasury?" and your answer is, "No; my recollection is, that the bills in question were sent to the Paymaster and sold by him." Then in Question 644, "Have you not already stated that that amount of premium was paid into the Exchequer, and accounted for in the month of January 1854?—Yes, but after that paying back, there was a re-assertion of the principle, that it was no portion of the Exchequer duty to enforce this responsibility for the amount of premium." Your Lordship will observe that you have there stated that this admission was not made till the month of April, after your Lordship had frequently called the attention of the Treasury to it, and insisted upon its being paid. Your Lordship has laid before the Committee a copy of the correspondence which took place on that occasion. In the month of December, your Lordship wrote to the Treasury, calling their attention to the transactions as to those Exchequer Bills, and requiring, or rather suggesting, that the premiums should be accounted for to the Exchequer?—I did so write on 13th December (*see* Papers, No. 16, p. 1), calling the attention of the Treasury to the facts, that if the Exchequer bills issued were sold at a premium, the surplus produced by that premium might be employed free from the check of the Exchequer, and the restraints provided against unauthorised appropriation.

3014. At the end of the same month a Treasury minute was passed, and a letter was written upon that Treasury minute, dated the 11th of January, which was the first letter on the subject from the Treasury, and the concluding words of that letter are these: "In reference to that portion of your Lordship's letter which refers to the rate at which the Exchequer bills may be negociated, and to any premium or discount which may arise therefrom, my Lords would remark that the function of the Exchequer-office is confined in this respect to the exact amount of the votes of Parliament, as detailed in the Appropriation Act, and therefore, as in the grant of Exchequer bills for the supply services of the year they are computed at par. My Lords are distinctly of opinion that the Comptroller-general of the Exchequer 'can only deal with them as at par, and that any consideration of premium or discount is a question between this Board and Parliament, and to be accounted for in the same manner as other profits or deficiencies,

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deficiencies, as the case may be.'" How are all the other profits accounted for? Your Lordship has already stated that all the profits, so far as you are aware, and all the income, of whatever nature, is paid into the Exchequer?—I am far from having said or from saying that; I do not go that length; I do not know that it may be true.

3015. Your Lordship has stated your belief that all income and profits from from old stores, rents, and so on, are paid into the Exchequer; and though your Lordship has called in question the precise mode by which that has been done, your Lordship has always admitted throughout that you had no doubt that it was done?—I have said with respect to the old stores, because I have distinct evidence upon that point; the Treasury Minute, which I have no reason to suspect is disobeyed. With reference to revenues of customs, inland duties, and post-office, I know how it is; but if I am asked in general terms if all profits, rents, and *so on* come into the Exchequer, whilst I am not prepared to deny it, I know nothing about it that will enable me to affirm it. I am not informed on the fact.

3016. Will your Lordship refer to the letter of the 13th of January; towards the end of it your Lordship states, that in your opinion the profit on Exchequer bills cannot "be legally appropriated for such a purpose, and ought, according to what, I believe, was the precedent in earlier times, to be repaid back to the credit of the Exchequer." Then on the next page, page 6, your Lordship refers to the particular cases of Mr. Hill and Mr. Lushington, in which they paid sums of money which stood to their names for a certain time in the Bank of England as profits upon Exchequer bills?—Yes.

3017. Then at page 9, at the conclusion of the Treasury letter, it is stated: "Your Lordship enters into a long argument to show that it is inconsistent with principle and practice, that the amount of such premiums should be accounted for and paid into the Exchequer; that is a point which was never doubted by my Lords, but which, on the contrary, was fully admitted in their said Minute, when they stated that such premiums would be accounted for in the same manner as other profits which might arise; but what their Lordships contended for, and still continue to maintain was, that this accounting is a matter between their Lordships and Parliament, and not with your Lordship's office." Does not that letter give distinct intimation, if there was any doubt as to the meaning of the words in the letter of the 11th of January, "to be accounted for in the same manner as other profits" usually are; and what the Treasury meant by that was, that it was to be paid into the Exchequer?—I do not even now so understand it; the principle that I contended for was a principle established on former occasions, and established after some experience of the disadvantage of taking another course; the Parliamentary annals will show the risks of giving to persons in the public service a power of disposing of Exchequer bills, and realising out of the profits of the sale a reward to themselves; you will find that marked in the Parliamentary Debates in former times. In the Minute of 1810 a principle was laid down which guarded against such a possibility; there was a separate account directed to be kept in the names of the two secretaries of the Treasury for all the amount of the profits either from premiums or interest, with a view that that profit should be returned to the Exchequer; that was a wise course to take, but it was not proposed to be taken on the occasion before the Committee; in this instance I was called upon to issue those bills to a public department to be sold, and to issue them in satisfaction of certain votes. I was required to issue them at the par value of the Exchequer bills; it was clear therefore that if the bills were issued by me at the par value, and sold at a premium, and that the department had kept that premium, I was issuing more than the Act of Parliament justified me in issuing for that vote; I therefore called upon them not to account to the Exchequer, but to pay back to the Exchequer the amount of the premiums, such as it was. If it was the intention of the Treasury so to pay back to the Exchequer, nothing was simpler than to say, "We so intend;" but in place of their saying that they so intended, they state that they would be dealt with after a different fashion, and by analogy to another thing neither clearly nor definitely expressed, but offered as a substitute for that which I required, and consequently differing from it. It was only at the close of a somewhat protracted correspondence on 5th April, that they were good enough to explain to me that we entirely agreed upon the subject.

3018. At all events, whether you misunderstood the letter, or did not sufficiently understand the letter of the 11th of April, when it was stated that they were

were to be accounted for as all other profits, you admit that before the correspondence was concluded you did understand that those profits were intended to be accounted for in that way?—I might so have understood it, except that in the last letter the Treasury again repeated the same words pretty nearly as they had formerly stated it, that they refused to acquiesce in my doctrine, which was, that this money was brought under the jurisdiction of the Exchequer, and should be paid in to me. The Lords of the Treasury asserted still that it was a question to be settled between themselves and Parliament, that the Exchequer had nothing to say to it, and that it was not my duty to enforce its appropriation.

3019. In the last letter which your Lordship wrote upon the subject, on the 7th of April, your Lordship says: "It is true that your Lordships state that the propriety of the payments of the amount of premium received on these Exchequer bills into the Exchequer was never doubted by your Lordships; but your Lordships conclude by stating, that you continued, and still continue, to contend, that this accounting is a matter between your Lordships and Parliament, and not with the office of the Exchequer"?—Yes. The concession was limited by a denial of my right to call for and enforce this appropriation.

3020. Therefore your Lordship was then perfectly aware that the Treasury did not contend as if there had been any mistake, but, as you say, they had come to a common understanding that those premiums ought to be paid into the Exchequer?—But still they emphatically repeated, that they thought it was no question of Exchequer business, and if I had submitted to this claim, I lost all power of performing my duty to Parliament, by confining the issue within the limits of the vote.

3021. That being the case, is this answer, which you gave to Question 637, correct. The question is, "Was it ever disputed on the part of the Treasury that the sum of the premium obtained upon those Exchequer bills should be accounted for to the Consolidated Fund?" And your answer is, "It never was stated directly or indirectly that it was to be so accounted for to the Consolidated Fund, because that was what I contended for, as it could not be accounted for to the Consolidated Fund without paying it into the Exchequer; and it was that that the Treasury never would assent to"?—Precisely; I hold that to be the answer now. I think that the Treasury never once assented to the proposition that this money was to be paid back into the Exchequer, at the desire of the Comptroller-general; they limit even their communication of the 5th April to an unintelligible reference to some account between them and Parliament, and that their responsibility was Parliamentary. It was only as a Parliamentary officer that I called for this repayment, and for the purpose of preventing an undue issue, in excess of the vote of Parliament. It was to the exercise of this right that the Treasury demurred.

3022. You were told on the 5th of April, that that was a point that was never doubted by the Lords of the Treasury, but fully admitted?—It was fully admitted in one sense, but at the same time denying at that time and subsequently the authority of the Exchequer in such a matter.

3023. Is your Lordship aware that at the time that you wrote that letter to the Treasury, in the month of December, the transactions were then current, and that the time when that account could be made up was the close of the quarter?—I did not know when that account could be made up, but if the Treasury intended to pay these premiums, they had only to say so. This they showed a determination not to do.

3024. Is your Lordship aware that that premium was actually paid in to your Lordship's account in the month of January?—It was paid in the month of January, that is, six weeks after I took the objection; but no information was given to me that it would be so paid by them, as I understood it.

3025. When this correspondence took place in the month of April, had that money not actually been paid into the Exchequer three months before?—Certainly; but that was nearly at the close of the correspondence, and even then the Treasury denied to me the right of enforcing the appropriation of Parliament.

3026. What could be the meaning of your Lordship's answer, which would lead any one to infer that the money never had been paid into the Exchequer?—My answer was not intended nor calculated to lead to such a conclusion. I produced the whole correspondence stating the facts as they occurred, in order to lay all the facts before the Committee; but up to the last the power of the Exchequer was denied, and a vague and unintelligible responsibility to Parliament was assumed in substitution for it.

 3027. Suppose

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3027. Suppose that the Treasury were to dispose of property that belonged to the Crown; I will take, for example, an Ordnance barrack to be sold, which would yield 8,000 *l.*, it would be for the Treasury, would it not, to return that 8,000 *l.* into the Exchequer?—I presume so, under our present system.

3028. Would it be any part of the duty of the Comptroller of the Exchequer, in that case, to inquire into the sale of the barrack, or the circumstances attending it, or to take any cognisance of the transaction, except to receive the 8,000 *l.* upon the responsibility of the Treasury?—It would be the duty of the Comptroller-general to do more, if Parliament had done anything so extraordinary as to put that barrack at the value of 8,000 *l.* into his hands, to be applied as ways and means. If I had issued that barrack as 8,000 *l.*, and found that it produced 10,000 *l.*, it would equally have been my duty to have called for the re-payment of the 2,000 *l.* in excess. That is a case exactly parallel to the case before the Committee.

3029. Had your Lordship any power of knowing, or controlling in any way, the operations of the sale of those Exchequer bills, or was your Lordship obliged to take the account rendered by the Treasury of the result of the transactions when they paid the profit in?—I should have had no ground to doubt for one second the amount that was paid in. If the Treasury had said, We intend to pay it you, I should not have doubted the fact, or the truth of what was returned, under your signature. But this the Treasury avoided saying.

3030. Is the whole difference then this, that the Treasury said, These Exchequer bills are sold upon the responsibility of the Treasury; the amount having been issued from the Exchequer we will account for the premium, but it is not the duty of the Chancellor of the Exchequer to inquire into the question as to that premium?—But the Treasury said no such thing; that is not the correct representation of the case; the point at issue was the assertion that it was a matter between them and Parliament, and not between them and the Exchequer. I did not ask them to account, but to pay.

3031. All public receipts of money on the part of the Treasury are kept as between them and Parliament?—Yes, I presume they are, and I was the humble organ of Parliament to see that no more money was applied to the public service than was voted; and it was to the performance of this duty the Treasury objected.

3032. With regard to the case that your Lordship has adverted to in the Minute of 1810, do I not describe the purport of it correctly when I say that Exchequer bills were issued, and that a separate account was ordered to be kept in the Bank of England of the profit derived from those Exchequer bills in the names of the two secretaries of the Treasury, and that at the close of the quarter those two secretaries of the Treasury were directed by the Minute to pay those profits into the Exchequer?—Certainly.

3033. And that they did at the end of the quarter pay certain sums into the Exchequer, which had stood in their names in the Bank of England during the currency of the quarter?—Yes.

3034. Was the practice in any way varied in 1853; would not the Bank of England dispose of the Exchequer bills in the same way, and was not an account rendered at the close of the quarter of the profits upon those Exchequer bills, and were they not by the Bank of England paid into the Exchequer?—There was this great difference between the two cases, that in the last case in 1853 there was a direct denial of all Exchequer authority to see that this payment was made, and a reference to some vague Parliamentary authority and means of enforcing which I was not cognisant of. In 1810, on the contrary, the Treasury took the very course I insisted on in 1853.

3035. Will your Lordship, having this Minute of 1810 fresh in your recollection, refer to any words in that minute which in the slightest degree indicate that the Chancellor of the Exchequer had any control or cognisance of the transactions alluded to before that money was paid into his hands?—There is nothing in that minute or in the transactions of the day to show that the Treasury had refused to admit the authority of the Exchequer, or had expressed any intimation of their desire upon the subject; on the contrary, they seem to have paid in the regular practice of things, and paid in the full amount which they had received.

3036. Was it not purely a Treasury transaction of Exchequer bills, disposed of by orders from the Treasury, by the Bank of England, the profits remaining entirely

entirely in the control of the Treasury until the close of the quarter, when they were paid into the Exchequer?—A separate account was directed to be kept in the names of the Secretaries of the Treasury, who were made trustees for holding and repaying the premiums on the bills. No such step was taken in 1853; there was an interference on the part of the auditors on one occasion, but there was no denial, to my knowledge, at any time previous of the obligation and necessity of paying back any premiums into the Exchequer; there was in my case, and I was referred to some unintelligible and unexplained responsibility to Parliament.

3037. Is there anything to lead your Lordship to conclude that, during the currency of those transactions, the Exchequer thought it their duty to call upon the Treasury to account for those premiums?—I do not know what occurred; but if there was at the Treasury at that time no desire to refuse the payment, or to depart from the system of paying back, there could be no such controversy.

3038. Was not your Lordship's application made to the Treasury during the currency of the quarter, and before it expired?—Yes; and it would have been answered by saying, "We intend to pay the money in as you suggest."

3039. Had you not been told in your subsequent correspondence, whether you understood the first letter or not to mean it, that that was really what the Treasury did intend?—That was not shown in the manner of stating the Treasury intention; you must couple that with the denial of the Treasury of any authority to call for that money which was in excess of the vote.

3040. Is there any doubt that the Bank of England did account for those profits, and that they were paid into the Exchequer in precisely the same manner as they are directed to be paid under that Minute of 1810?—That proves distinctly that my view of the question was the right one; I only asked that to be done at the outset which the Right Honourable gentleman refers to after as having been done at a later period, six weeks after my demand.

3041. Mr. *Hankey*.] Supposing those Exchequer bills had been sold at a discount, would your Lordship have considered yourself justified in issuing any further amount from the Exchequer to make up the difference?—That question has been put already, and I have answered it fully. I will refer the Honourable Member, with his experience, to the words of the Appropriation Act itself, which establishes at once the legitimate way of meeting those questions, and providing for the satisfaction of the vote without embarrassment, either as a question of discount or of premium, as the case might be. The clause I am about to refer to is the ordinary clause in the Appropriation Act; the Committee will have the kindness to consider the importance of these words: "It shall be lawful for the said Commissioners of Her Majesty's Treasury to issue and apply from time to time all such sums of money as shall be raised by Exchequer bills, to be made out under and in pursuance of this Act, to such services as shall then have been voted." Therefore what this Act and all Ways and Means Acts contemplate is the sale of Exchequer bills, the application of the money; and in the Act for Exchequer bonds the words go even further than the Appropriation Act, for it directs distinctly the sale of those bonds, the money realised by the sale to be paid into the Exchequer, and the money amount of each vote to be paid out in money to the accountant entitled to claim it; in that way all difficulty is escaped either from the question of discount or of premium. The issues become simple and self-adjusting. That is the latest construction I can give you of the better system of practice.

3342. Mr. *Wilson*.] Suppose larger ways and means, which are exhausted under the Appropriation Act, and there was still 500,000 *l*. required to make up the loss in Exchequer bills; after all those monies had been paid into the Exchequer, would your Lordship feel authorised to issue 500,000 *l*. beyond the whole ways and means under the Appropriation Act for the purpose of supplying such deficiency?—The law has not left us without the means of meeting such a contingency; you would be entitled, in that case, to go upon the Consolidated Fund if you there had unexhausted ways and means.

3043. I was referring to ways and means exhausted by deficiencies in the means of satisfying the services for the quarter. Supposing the whole ways and means for the year are 58,000,000 *l*., and the whole of the ways and means on the 28th of March are exhausted, and the Treasury were to say, But those 58,000,000 *l*. of ways and means have only produced us 57,500,000 *l*., and that they had lost 500,000 *l*. by the sale of Exchequer bills, would your Lordship feel authorised to issue 500,000 *l*. more than the whole of the ways and means contained

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contained in the Appropriation Act, because the Treasury had lost 500,000 *l.*?—No; I could mean nothing so extravagant; my answer is (I think the Honourable Member is putting a suppositious case) that the Chancellor of the Exchequer has a way of guarding against that result; he will not lose 500,000 *l.*; he can raise the interest upon those Exchequer bills; if he were to put them into the market and sold them at a loss in the way described, he would have managed his affairs very ill. Supposing that the Consolidated Fund fell short by failure of revenue, the Chancellor of the Exchequer may still have recourse to Parliament.

3044. I am speaking of the power of the Comptroller-general in the construction of the Appropriation Act, not of the conduct of the Chancellor of the Exchequer. What I asked was this: Supposing the Chancellor of the Exchequer had suffered that loss in the sale of those Exchequer bills, what would have been done?—My answer is, that the Appropriation Act contemplates the payment of the money to be raised by Exchequer bills, and not the issue of Exchequer bills, themselves, for a given service; the one presupposes that you must always deal with the Exchequer bills as issues at par, which I think there is nothing in the Appropriation Act to justify.

3045. Will your Lordship have the goodness to turn to the Exchequer Act of 1854, the 11th clause of that Act?—Yes; but it does not alter my opinion in the least.

3046. I understand your Lordship to maintain, not only in the Paper placed before the Committee, but in your evidence also, that you regard the existing practice in the Pay-office, in their mode of transacting their business, as strictly illegal, and contrary to this Act?—Yes; I so consider it. If I was wrong I should have been set right by the opinion of the law officers, which, acting officially, I had entreated the Treasury to take.

3047. You have already stated that the words of the Act, upon which you rely as to the duty of the Pay-office, and for the strict appropriation of specific votes, is to be found in these words, "to be applied by such officer to such service"?—Yes; but as the Exchequer memorandum shows, not on these words only.

3048. Was not it the case, when this Act was passed, that there were four distinct general services, with separate accountants?—Yes.

3049. That is, the navy, army, ordnance, and the civil service?—Yes.

3050. Will you follow me while I call your attention to these words: "Be it further enacted, that from and after the commencement of this Act, whenever any sum or sums of money shall have been granted to his Majesty by any Act of Parliament, or vote of the House of Commons, for any specified branch of the public service, and ways and means shall likewise have been granted for satisfying and making good the same, it shall be lawful for his Majesty, by his Royal order, under the Royal sign manual, to be countersigned by the Commissioners of the Treasury, to authorise and require the said Comptroller to place at the Bank of England, to the credit of the public accountant to the Crown, in the respective branch of service, the amount of the sum so granted or voted, at such times and in such proportions as the said Commissioners shall from time to time direct to be applied by such officer to such service." Does your Lordship not conceive that this Act had reference to the great services which then existed?—Certainly.

3051. Would it be any breach of this clause if the Comptroller of the Exchequer had made issues, always keeping within the Appropriation Act, to any particular branches of the service; and would it be a breach of this clause, if those sums, so issued for a particular branch of the service, were not strictly appropriated to the service for each special vote, provided each special vote were not ultimately exceeded?—I understand the question to be put in respect of the three great services, and not a question as to the separate votes.

3052. The four great services?—If the Honourable gentleman means by the question that the consolidation of the offices put a total end to the question of appropriation when placed in the hands of a single officer, rather than in the hands of four paymasters, that is not the construction that I give to the consolidation. The appropriation remained the same.

3053. Do you consider that it would be inconsistent with this clause of the Act of Parliament, for the Comptroller of the Exchequer to issue sums of money within the Appropriation Act to any of those branches of the service, and not strictly to apply them to the separate votes, provided those were not exceeded in the whole course of the year?—As I understand, this refers to the point on which

which I had occasion to take the opinion of the law officers of the Crown, having doubts upon the construction of the Act itself, in conjunction with the Board of Treasury then existing. That opinion justified the Comptroller-general in issuing upon the whole sums voted for each of the great services, as each consisted of one vote only. The question was submitted to the law officers of the Crown, and their opinion is on record; the matter is therefore completed; but I should explain that there are two states of the law existing as to the issues of public money; the one before the enactment of the Appropriation Act, and the other after. Before the enactment of the Appropriation Act, by the words of the Ways and Means Acts, you are authorised to pay upon specific votes of Parliament. In the Appropriation Act the amount of the separate resolutions is consolidated into three distinct votes, one for the whole of the army, one vote for the whole of the navy, and one vote for the whole of the ordnance; separate amounts corresponding to the resolutions are, it is true, afterwards recited, but in every instance there was one vote for the gross amount of the navy, army, and ordnance respectively. Under a strict interpretation of the Ways and Means Act before the Appropriation Act, I felt some apprehension that I might be considered bound to introduce a new practice; requiring a separate Royal order for every separate vote that was taken for the great services, as was the usage in the miscellaneous, and that this change might have been productive of very great inconvenience, and also have been contrary to the invariable usage. But I stated my doubts to the Treasury of that day; it was Sir Robert Peel's Treasury; the subject was found to be of such importance as to require a legal solution, and the case was referred to the Attorney and Solicitor-general of that day. This was in April 1844. (Papers, No. 13, p. 31.) They gave their opinion that I was warranted in persevering in the previous system of issuing to the Army indiscriminately, to the Navy indiscriminately, and to the Ordnance indiscriminately, and having obtained that legal opinion, I thought that I was right in acting upon it, because it not only stood upon the authority of the Crown lawyers, and was supported by the invariable usage of the department, and was also confirmed by the words of the Appropriation Act, which consolidated the Army votes, the Navy votes, and the Ordnance votes in three aggregate sums. In doing that I perhaps may be considered to have released the Treasury from some degree of control, but I did it upon the grounds I have stated, which appeared to me to be sufficient to justify my decision.

3054. It appears that the legal construction of this clause of the Act did not require a specific appropriation of the separate votes for those three great services?—Not of the sub-votes, but it affirmed distinctly what was always the law after the passing of the Appropriation Act, and what had been not only always the practice, but the invariable usage under the Ways and Means Acts preliminary to the last financial proceeding of the Session, the Appropriation Act.

3055. In point of fact, it simply affirmed that the Comptroller of the Exchequer should see that he did not issue more than the gross vote of Parliament for each of those services?—It did that; but it restrained him from issuing one farthing of the Navy money for the Army purposes, or *vice versâ*, and it left the case of the miscellaneous votes unaltered.

3056. In that opinion, was any question raised as to the branch of the civil services, which was then a separate and distinct branch?—No, it could not have been raised as to the civil services, because the issues on the civil services have always been kept distinct in the Exchequer; I think it was stated by a high authority in the House of Commons this year, that no confusion of votes could arise upon the civil service votes, as they were uniformly kept distinct. This is perfectly true as affecting the Exchequer, though contradicted so far as the Paymaster is concerned by the admissions of official witnesses before this Committee.

3057. Does your Lordship conceive that this amalgamation of the four Paymasters necessarily entailed a change in the practice with regard to the specific appropriation of the monies in his hands?—No, I think it continued the previous practice.

3058. It made no difference?—I think it produced no change; it confirmed the old modes of paying, as they had previously existed.

3059. Your Lordship holds it as a rule, in point of distinct law, that the Paymaster is bound to pay for every specific service and for every specific vote in the Miscellaneous Estimates from the monies issued to him specifically for those purposes, and for no other?—I think, as a general principle, he is; but the

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the question put omits all notice of the unappropriated votes or monies. This, if left without notice, would seem to lead to a conclusion distinctly contrary to my previous evidence, and at variance with the fact. There are votes placed at the disposal of Government, out of which they have the means of meeting occasional services, namely, the civil contingencies vote, and the funds of the commissariat chest, calculated for home and for foreign purposes.

3060. The civil contingencies vote is for the purpose of meeting charges unforeseen, and for which no vote has been taken. Is it not possible that a course may have been adopted, and justly and constitutionally adopted, of anticipating a vote not yet taken, and, as it has been stated, for purposes for which votes of Parliament had not been taken at the time?—Yes, if paid for out of civil contingencies. The advance is repayable out of the vote when taken.

3061. Does your Lordship hold it to be distinct law that the Paymaster has no power to pay a sum of money upon any vote, for any purpose that has been voted, excepting from the monies which have been issued to him specifically for that object?—I mean unless he has monies in his hands, and authority to use them for a specific vote, he has no legal power of applying monies other than the unappropriated or contingent funds I have just referred to for that purpose.

3062. Unless he has monies in his hands that have been specifically issued for that vote?—I consider that to be the strict law, subject to the exception stated.

3063. The Paymaster can pay nothing, excepting from monies which have been issued to him for that express purpose?—Yes, except out of the civil contingencies or the commissariat chest account.

3064. If that practice was followed, what would become of those monies which are paid into the cash account, and which, as your Lordship is aware, both by Minutes made in your Lordship's time, and since, the Paymaster is bound to exhaust before he applies the Exchequer credits; what could he do with those monies?—I think it is stated in some part of the official Evidence, that the monies that come into the cash account are of two kinds, monies appropriated and legally repayable to certain specific services, and monies *in transitu* to be paid or returned to the Exchequer, and which without delay ought to go back to the Exchequer, and ought not to be employed by the Paymaster for any other purposes. If used for other purposes, I hold it illegal. The balances of votes of Parliament, as the 25,000 *l.* balance of the Duke of Wellington's funeral, applied to other purposes, I consider to be contrary to law. Any payment that you get now to the Paymaster's cash account, by the late extended practice of making the Paymaster a great officer of receipt as well as of payment of monies, he now receives all these; either these monies are to be used for the purposes for which they are legally appropriated, or they ought to be paid back to the Exchequer, and become part of the Consolidated Fund. These sums in the Paymaster's hands expose the public to the danger of undue and unauthorised appropriation.

3065. If they are monies, original receipts, in the form of income, they are to be paid back into the Exchequer, and are so paid; but if they are sums not original receipts, but are repayments, belonging to some branch of the service, heretofore advanced, they must remain on the cash account to be used by the Paymaster. I ask you if you would leave those monies on the cash account not used, and at the same time draw Exchequer credits for services required at the time that those monies stood to the cash account?—I do not admit the unqualified statement that these sums are so paid back to the Exchequer. They are habitually used for other purposes, and only repaid at an indefinite time. The balances of votes remaining with the Paymaster for years exemplify this. I can with difficulty state how the cash account, as I have told the Honourable Member, is to be managed, because I am not acquainted with the Paymaster's practices; but my own way of dealing with the matter as a matter of principle is, that public monies that come into the cash account without especial appropriation upon them ought to be paid back into the Exchequer, and that such repayments must be included in the direction as to the exhausting of that account. The present order is applied as giving the Paymaster not only the power, but giving him absolute directions as to applying monies which are without appropriation; it is to that practice that my evidence and my objection is applied. I therefore object to the use of 25,000 *l.* in the Wellington funeral case.

3066. The practice which your Lordship recommends would render it necessary for the Paymaster to keep a sufficient balance upon every single vote to conduct his payments from day to day, and a separate account for each vote, would

would it not?—It would, undoubtedly, render it necessary to have larger balances. But, considering that credits can be obtained within less than 24 hours, it is an utter exaggeration to state that balances must be kept on every separate vote. We must also bear in mind the aid derived from the commissariat chest and from the use that might be made of the civil contingencies fund. I know that an order reaching the Exchequer after office hours, between five and six, puts the Paymaster in funds for any voted service at nine o'clock in the morning of the day following; there is, therefore, no such weighty obligation thrown upon the Paymaster as to enable him justly to dispense with the law, if he can ever be justified in so doing.

3067. Still, whether or not, it would require that he should have a separate account for each vote?—Certainly, if he is to appropriate the money according to the principle of the Act of Parliament, subject to the explanation I have given.

3068. As it is impossible for the Paymaster, as he has stated it to be, and it is obviously impossible on the day before to estimate the precise sum that will be required, it would be necessary that he should have a balance to each of those accounts, either small or large?—I am not sure about that; as I have already shown, you must be aware that where payments of the public service come in so uncertainly, it is not likely he should not be aware of the probable demands upon him the following morning before he leaves the Treasury at five o'clock in the evening; and if new demands come in the following morning, they can without difficulty be supplied in a few hours.

3069. What would your Lordship recommend the Treasury to do in that case as to bills coming from abroad, which are paid from the bill account, and for which no previous provision could have been made, from the fact that no knowledge existed as to what separate vote they were drawn against, or in what proportions?—I have seen statements about the bill account which have surprised me. I have seen a statement in which it is represented that bills come in for payment apparently without advice, and without notice, payable at sight; the practice of the Treasury has very much changed from what it was in my time, if there are many such stringent demands upon them. With respect to bills drawn from abroad, they are chiefly drawn, I believe, by the commissariat establishments abroad; they are the parties authorised for the most part to draw; the commissariat abroad in every instance has its own chest, and the commissariat chest account at home would appear to be the primary fund against which bills are properly drawn; the resettlement of those bills amongst the separate departments may possibly at times be unavoidably postponed, and may at times be uncertain and difficult. But the commissariat chest account is similar to the army extraordinary account; in principle it is similar to the civil contingencies account; the first claim upon the commissariat account would be under these circumstances, the bills that were drawn by the commissaries, and subsequently, there would be a just principle of adjustment by repayments from the voted services; and to this they would be driven from the necessity of meeting bills abroad, but which, being payable in the first instance out of an unappropriated fund, would not involve any apparent violation of the law. I cannot help thinking, however, that this inconvenience may be lessened if the drawers are bound, whenever it is possible, to draw specifically for army, navy, and ordnance purposes, and distinguishing the separate services in their letters of advice. Such would be, I believe, the mercantile mode of proceeding.

3070. Supposing the commissariat chest fund is overdrawn, then your Lordship admits that there would be no possibility of the Paymaster having Exchequer credits for the purpose of meeting bills drawn from abroad, for services the nature and character of which it was impossible he could tell?—If the commissariat chest account, which exceeds a million sterling, is overdrawn, such a result must necessarily occur in the same way as if the expense was incurred abroad exceeding the vote. There is a departmental difficulty which the Treasury would have to solve, but I see no insuperable difficulty. You have had a very large commissariat chest account even in time of peace, and there have been 3,000,000*l.* for each of the two last years which have been cases of exception referring to the war.

3071. Leaving out of consideration the extraordinary circumstances of the two last years, but taking the ordinary state of the service, when that commissariat chest fund is lying in all the commissariat chests in the world, when the account here is continually or practically always overdrawn, when very large sums of money

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money for the navy and army, and many of them for civil purposes and for contingent purposes are constantly been drawn by bills from abroad, I take it that your lordship admits that it would be impossible in that case for the Pay-master to receive issues from the Exchequer to meet those specific payments?—I cannot understand the commissariat chest account being overdrawn, without its being overdrawn by advances for different departments, repayable out of the ordinaries of those departments. The Treasury have always found that they have means within their own power, which they have wisely exercised by calling on those departments which are in funds, if indebted to the commissariat, and making them pay up more rapidly the amount of the debt; by a transfer to the Bank of England, they can recruit their commissariat chest account, which would enable them to meet the demand upon them for bills.

3072. Those repayments are made upon mere speculation, leaving a margin as to what the demand upon the department ultimately will be, but in this there is no possibility of specific appropriation, is there?—If the army owed a debt to the commissariat chest which "upon mere speculation" (to repeat the words of the question) amounts to 600,000 *l.*, and the commissariat chest is low, there can be no great difficulty in the army repaying to the commissariat chest 400,000 *l.* out of 600,000 *l.*; there is an unascertained balance which must remain an unascertained balance till the commissariat accounts and vouchers come home.

3073. Therefore there can be no specific appropriation for the payment of their bills?—There would be no difficulty whatever if those bills were drawn upon the commissariat chest account, if the commissariat chest is short of cash by 300,000 *l.*, but has debts owing to it of half a million, if it gets 300,000 *l.* out of half a million repaid. I am now, however, examined on what is no matter of Exchequer practice at all, but which relates to the repayment of the debt of other services to the commissariat chest. Assuming that military chests abroad were required to pay monies for various services in credit at home; if that was so, the departments, owing their debt to the commissariat chest, would pay that debt to the commissariat chest; the commissariat chest, on whom the bills were drawn, having made these advance out of unappropriated monies, would pay the bills without a violation of the law.

3074. There is no possibility of distinguishing that advances have been made by the commissariat chest, until the close of the year, when the Board of Audit have analysed those accounts and audited them, and directed repayments to be made, and the accounts adjusted?—That may be quite true as to the final close of the debt, but it would seem to be modified by answers to questions which have been already put with respect to the mode of receiving from the indebted department; it is admitted that there is a debt subsisting, not as an amount settled as a matter of account, but admitting of repayments, repaying to the commissariat chest a sum unquestionably due, and sufficient to put it in funds. That is the wise course taken by the Treasury, as I understand, in calling for a more rapid mode of repayment, and having thus prevented a large accumulation of debt.

3075. What I want to know is this: as long as it is impossible to know for what purposes those bills are drawn, if there be any balance in the commissariat chest account from which they can be paid, whether it is possible for the Pay-master in that case to take Exchequer credits for the specific appropriation of those services for which the bills are drawn?—If there is a debt owing from the army to the commissariat chest, there is no difficulty in getting it paid by the army. But the question of payment on account of debt from the Army, Navy, or Ordnance to the commissariat chest, is totally different from the ultimate settlement of the account between the departments; that must frequently be delayed; but in the meanwhile a repayment of a sum which is known to be less than the sum advanced, is perfectly justifiable in my view of the commissariat chest transactions. But all this has been settled and put upon a new footing since I resigned the office of Chancellor of the Exchequer, which took place 17 years ago. The account has also been put on a new footing since my resignation. I have already stated my want of knowledge of the internal management of the Pay-office. I therefore feel no confidence in my opinion on this subject, which is not connected with the Exchequer.

3076. Are the Committee to understand you to say, that the system of the Pay-office, of which complaint is now made, could not have taken place under the

the old system of separate Paymasters?—I do not apprehend that the system against which my evidence and the Exchequer memorandum are pointed could have taken place. Whether there may have been irregularity, I cannot say; but the system of applying money for purposes for which it was not voted, I do not think could have taken place in the way it now takes place. I doubt its taking place at all interchangeably between the Army, Navy, and Ordnance departments; as long as there were three Paymasters, and no attempt to make specific appropriations, but only to issue according to the general vote, there could be no complaint such as is now made. My complaint is now of the appropriation between department and department, and I say that that could not have taken place when there were separate departments and separate Paymasters. From that I must exclude the possibility of bills drawn from abroad in the same way; that I do not think that a matter of misappropriation now, if met by a due regulation of the Commissariat Chest Fund.

3077. With regard to the civil services, you think that there was the same check while there was a separate civil services paymaster, which office was abolished in 1848, I think; and from that date you state that great irregularities have arisen in consequence of doing away with Mr. Sargent's office?—No; pardon me, there are two assumptions there, both of which I negative. I do not assume that the existing irregularities are traceable exclusively to 1848, or necessarily consequent upon the abolition of Mr. Sargent's office. I think that irregularities are shown to have previously existed (*see* Printed Papers, No. 9, 10, 13), in reference both to the Exchequer Act and the Appropriation Acts; but the systematic attempt to escape from the control of these Acts has been exhibited since 1852-53 mainly.

3078. Will you state what change in practice took place in 1852-53, which has led you to that conclusion?—I will state several; the discontinuance of the deficiency bills warrant, which has deprived me of a check upon the issue of deficiency bills, and deprived me of the means I formerly possessed of checking the charges made upon the Consolidated Fund.

3079. Will you confine yourself to the votes of Parliament?—The withdrawal altogether, and the refusal by the ultimate variation of practice, to give me the means of knowing whether the money demanded from me was justly payable or not, by showing the instruments of appointment to the parties.

3080. I am speaking exclusively of votes of Parliament, and I understood you to say that the fault in the Pay-office of which you complain, as to the votes of Parliament, and the appropriation of them, did not take place since 1848, but since 1852-53; will you inform the Committee what change took place in 1852-53 with regard to the payment of monies on votes of Parliament, which has led to this irregularity?—The way in which money has been withdrawn from the Exchequer; the way in which I know it to be applied to purposes other than those for which it was intended, is a practice which is a growing practice, and is mainly found to have occurred since 1852.

3081. Is there any change in the mode of issuing Exchequer credits?—There is no change whatever, and no deviation; that depends wholly on myself; I challenge inquiry into the fact to show one single instance of deviation from the principles of issuing Exchequer credit, except, I believe, in the one instance, of paying votes, in which the Treasury sent us over a number of Royal orders, and four of them were passed before the error was discovered. I refer to the case in June 1852. I laid that case specifically before the Committee; they will find it No. 9, p. 123; but that is the only instance in which I am conscious that there was a deviation.

3082. Is there any change whatever in the Treasury practice with regard to those issues?—Yes, there is a very great change; there is the system of exhausting a great number of votes that stood at the Exchequer, duly created by Exchequer credits, and they are at once carried out to the Paymaster's accounts as working accounts, without there being a demand for paying the services represented by those votes.

3083. The demand is upon the other services, is it not?—I presume it is; it is wanted for other services, and it is withdrawn from the Exchequer, and immediately after from the Exchequer credit account, to meet, as I apprehend, adjustments and rectifications of account.

3084. As

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3084. As to those issues, the Exchequer Act of 1834 and the Appropriation Act are strictly complied with?—Certainly, so far as relating to the issues from the Exchequer.

3085. Did your Lordship ever inquire into the result of the separate pay-office, the Civil Services Pay-office, under Mr. Sargent, as to those so-termed regularities?—Is that a question applied to my relation with the department since I have been Comptroller-general, or before that?

3086. It applies before that; before the abolition of Mr. Sargent's office?—I recollect perfectly that I considered Mr. Sargent's accounts to be kept very distinctly; I never heard of any complaint with respect to the mode in which those accounts were kept by Mr. Sargent, and undoubtedly I had every confidence in the mode in which he performed his functions; I never had any evidence in my transactions with him, nor do I think it would have been possible, that the miscellaneous votes payable to him should be withdrawn in order to be applied to army, navy, or ordnance. That is the practice which exists now. The application, we will say, of the vote for the Duke of Wellington's funeral, as an example, never could have taken place under Mr. Sargent's system; it took place under the present system.

3087. Your Lordship is not aware that Mr. Sargent pursued the same system which the Paymaster does now of exhausting the whole of the cash that he had in his hands, or keeping his balances as low as possible, without regard to the specific appropriation of the monies that he paid?—I was not aware of that. I have already stated that he held an account as Paymaster of Civil Services and of Army Extraordinaries; how far those were managed I know not*.

3088. I hold in my hand the account of the financial year 1842-43. It appears to have been the practice for Mr. Sargent to make up his accounts and balance them every fortnight, according to the rule of the office. In each of those accounts there is the result of the Exchequer credits which were standing to his credit at each time. Then there are three cash accounts; one shows the sub-accounts in credit; that is an account of each put in credit. The next is the sub-accounts over-drawn; that is the accounts which he had paid without having any issue from the Exchequer for them. The next is the net amount at the Bank. The next is the total balances in his hand at the end of each of those fortnights. I find that those sub-accounts were overdrawn, which must have been services paid for, for which no Exchequer credit had been received and paid for from monies in his hand, which had been issued for other Exchequer credits. In every one of those cases there is a large amount, varying from 46,000 *l.* to 59,000 *l.*; and it appears that the practice of Mr. Sargent was exactly what the practice of the Pay-office now is, that he used the cash in hand and did not draw from the Exchequer when he was in cash, although he had a payment to make for a service for which he had no Exchequer credit standing in his books; your Lordship is not aware that that was his practice?—No; I am not in the least aware whether the question put rightly describes his practice; I consider that practice more authoritatively described in the Treasury Minute already referred to, but under any circumstances it would still guard the public against the possible application of those miscellaneous monies for the purposes of the great services; not one farthing could be so applied.

3089. Mr. *Cardwell.*] Supposing that it was his practice, do you think it was illegal?—Taking it to be as is represented to me now, if the effect of Mr. Sargent's mode of transacting his business was to enable him to pay money without a legal authority to pay that money, with funds out of which it could be paid legally, of course the same objection would apply to Mr. Sargent that applies at the

* In the Papers laid before this Committee by Sir Charles Trevelyan, there is contained in the Treasury Minute, 22 December 1848 (Papers, p. 88), the most authentic account of Mr. Sargent's system. It is as follows: "In this office separate bank accounts have been kept for every head of service under which he has been called on to make payments out of Exchequer credits. The consequence has been an unavoidable accumulation of credits at the Bank, as it has been necessary to keep every separate service in funds to meet the demands upon it. The care and attention required in paying from a multitude of funds, and in keeping numerous accounts of the transactions between the office and the Bank, have also occasioned great labour to guard against error." I refer also to the close of the same Minute, p. 90, in which the Treasury state their intention that "the departments of expenditure are to be restrained from any part of one specific grant in aid of any other specific grant."

the present moment to Mr. Anderson, with the exception that I have stated, that under no circumstances could the civil votes be applied for Army, Navy, or Ordnance purposes. It should be remembered that I have never before seen or considered the account now produced, and my answer is given hypothetically.

3090. Mr. *Wilson.*] Then, in that case, a return to the old system of separate Paymasters would not meet the objection which you have to the present practice in the Pay-office?—I must guard against the supposition, that I should even recommend a recurrence to the separate Paymaster system. I have not done so; on the contrary, I thought the consolidation a good thing, and I continue to think so, but it must be done with great earnestness and good faith on the part of both parties; the Treasury must co-operate with the Exchequer, and the Exchequer must co-operate with the Treasury, for the purpose of jointly carrying the law into effect, and preventing the occurrence of any misappropriation of public money.

3091. Did not you complain of the abolition of Mr. Sargent's office as leading necessarily to those irregularities?—No such thing whatever; quite the contrary, nor am I now prepared to admit that it has been proved that they existed at that time.

3092. If you have one paymaster you must, in order to carry out the views which your Lordship has with regard to the separation and specific appropriation of votes, keep them distinct accounts in the same way, though under one paymaster, as if you had three paymasters?—You must keep separate accounts; I presume that it is not doubted or denied that the gentlemen in the Pay Office do not keep those accounts in a proper manner, but the payments ought to be consistent with the accounts, that is what I contend; there need be no more accounts kept under that system than there are now, but a greater number of account books.

3093. Your Lordship has been asked a question to-day upon a very important point. Your Lordship was asked whether, according to the present practice of the Pay-office, it would be possible for the Pay-office to issue money for one of the great services, for example for the army, in excess of the vote out of monies which had been granted for another service; and your Lordship replied that the final account of the year would not shew that, but if the accounts were seen from day to day, it might be seen that particular sums had been issued at particular periods of the year from one vote to another, which might be adjusted before the end of the year?—Certainly.*

3094. Does not your Lordship perceive that no such adjustment could possibly take place if the issue had been made in excess of any of the votes of Parliament?—It could be adjusted if there was a saving upon another vote; the vote upon which there had been a saving might be applied to adjust the other account, but the system of adjustment and rectification is one against which I protest altogether; I deny its legality, and I see its pressing danger.

3095. The essential point is this, whether it is possible for the vote of Parliament to be exceeded in the year; now if that vote of Parliament had been exceeded, would it not be seen, at the close of the year, that that vote of Parliament had been exceeded, from whatever source the money had been received?—There would be a correct statement made at the close of the year upon that account, as I presume; but there are two accounts, and my complaint is that there are two systems of account kept, one is the real account and the other is the adjusted account, and I think we have experience enough to know that accounts so kept are capable of being adjusted at the end of the year.†

3096. Your Lordship stated that you had read Mr. Hoffay's evidence; did your Lordship observe that he was asked whether he would pay a sum of money demanded by any department, the navy for example, if there was not an unexpended balance to their vote; and he stated that if he had no monies in his hands, and there was none in the Exchequer, he should refuse?—He states that; but

* Such is my belief as to the consequence of unauthorised payments set right by subsequent rectifications. If, as I presume, the Paymaster's account for the auditors shows the rectified or adjusted account, that I conceive will differ, especially *in dates*, from the account of original payments.

† Take the Duke of Wellington's funeral; that account, I presume, is now adjusted, showing a balance unexpended of 25,000 *l.* But for a considerable time, when that balance was employed in other services, the funeral account must have been deficient by 25,000 *l.*, and other services on which that sum was spent must have been 25,000 *l.* in excess of their authorised issues.

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but that is met by very contradictory evidence by other witnesses. Under the same circumstances, Mr. Anderson stated that he would and did pay it.*

3097. No such excess of the vote could take place without the excess upon the whole vote being seen in the accounts of the year?—It would not perhaps be possible, if the accounts that were laid before the Audit Board represented the real payments and not the adjusted accounts.

3098. Mr. *Bowyer*.] Supposing there was a saving upon one vote and an excess upon another, and the saving from one vote were applied to the excess upon the other vote, would that appear necessarily at the end of the year in the account?—I do not know how those accounts are kept. It is a mystery how they can be kept at all. But when I have before me an account which requires adjustment, carrying it into a new account, altering dates and mode of payment to come within the principle of adjustment, I cannot for the life of me understand how those accounts are kept with accuracy and correctness.

3099. In that case the total amount voted by Parliament for all the services would not be exceeded, but there would be a saving in the one case, which would be compensated by the excess upon the other?—Under any circumstances, there must be a column of misapplication for the service of each year to be set right when the adjustment is carried on.

3100. In point of fact the system prevents its appearing, at the end of the year, in the accounts, though there had been an excess?—I have great reliance in the Audit-office carrying into effect all its objects, if it is strengthened for the purpose of enabling it to do so. How far it can prevent this matter I cannot say. Mr. Anderson (Question 1092) seems to doubt this. He says, "There is no power under Sir J. Graham's system of audit to prevent excess beyond the votes, if the departments choose to exceed their grants. They have no discretion."

3101. *Chairman*.] Was it the habit of the Treasury to advance, in case it was required, from the civil contingencies, for any civil expense?—I have no doubt that it was; I should not hesitate for one moment in making any advance from the civil contingencies for current expenses that came, within my judgment, within the scope of that credit.

3102. In case there was an expense beyond the Exchequer credit, had not Mr. Sargent the power of advancing, from the civil contingencies, to meet the expense, and of setting it right afterwards?—I think perfectly so, because it would come before Parliament the next year, in his account of civil contingencies expenditure.

3103. I mean from time to time, taking any particular period: on June the 18th, supposing Mr. Sargent had monies on the civil contingencies in his hands, might it not have been in his power to have advanced, from the civil contingencies, to any of those votes, and, when drawing credits afterwards, to have repaid it to the civil contingencies?—Certainly, I should look upon that as a matter of ordinary and legitimate practice. Mr. Sargent had also a command over the Army Extraordinary Account, now called the Commissariat Chest.

3104. Mr. *Wilson*.] The funds of the civil contingencies is not used for purposes for which there are votes of Parliament and credits in the Exchequer, but for which there have been no votes of Parliament, or for which there is no Exchequer credit?—It might also be used in making up a deficiency of the Parliamentary vote when the vote has been entirely expended, and for a great variety of purposes, as will appear from the accounts laid before Parliament.

3105. I said for which there had been no Exchequer credits remaining?—I should look upon that as an irregularity.

* I refer to Question 1074: "The money issued for one service may, as a matter of necessity," he observes, "be applied to another." And being asked (1096), If anticipating demand for army services, a write-off having been obtained, and an immediate payment being required for navy, whether he would feel himself justified in making such payment out of money written off for army purposes, his answer is, "Certainly."

Jovis, 3° *die Julii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. James MacGregor.
Mr. Chancellor of the Exchequer.	Lord Stanley.
Mr. Wilson.	Mr. Williams.
Sir Henry Willoughby.	Mr. Hankey.
Mr. Peacocke.	Sir James Graham.
Mr. Bowyer.	

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

The Right Honourable The Lord *Monteagle* of *Brandon*, further Examined.

The Right Hon. the Lord *Monteagle* of *Brandon*.

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3106. *Chairman.*] WHAT paper does your Lordship hold in your hand?—I observe that in Question 1209, this statement is made by Mr. Anderson: "I should say that any one of those large offices kept a much larger balance than the aggregate balance at the present time kept by the Paymaster for the whole of the public service." This account shows these are the earlier balances from the year 1835, prior to the consolidation, marking what the balances are that are held by those great offices to which Mr. Anderson alludes; which paper I beg to hand in.

[*The same was handed in, and is as follows*:]

BALANCES of EXCHEQUER CREDITS at the BANK of ENGLAND to the Account of—

	The Paymaster of the Forces.			The Treasurer of the Navy.			The Treasurer of the Ordnance.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
5 July - - - - - 1835	259,285	13	11	81,000	–	–	41,254	–	1
10 October - - - - „	162,030	4	10	111,000	–	–	49,016	8	9
5 January - - - - 1836	107,705	16	4	44,000	–	–	30,052	6	9
5 April - - - - - „	90,143	18	–	75,000	–	–	62,517	13	4
5 July - - - - - „	304,676	8	10	98,000	–	–	22,510	16	8
10 October - - - - „	233,514	4	11	116,000	–	–	56,153	17	–

In the documents which are before the Committee, or which they can obtain, they will see what the balances are now.

3107. Mr. *Wilson.*] Those balances which you have put in, have reference only to the closing days of the quarters of each year?—Yes, it was at the close of them; not the closing days of the quarter under the new system. I was asked upon the previous day in relation to the acquittances, or the substitution of a new system for the acquittance. I wish to put in for explanation the form of the acquittance which was that given by the Exchequer before the change. The Committee will observe that it is not a mere form of acquittance for the payment of one gross sum; sometimes the Bank give it now, though I am informed they did not begin by giving it at first; there was some difficulty and impediment thrown in the way of their giving it; but my acquittance contained what, in point of fact, was an acquittance upon all the heads of account which are given. The accountant had to pay in to my account a series of payments, and the acquittance that he got from me, contained a full acquittance of all the facts, and was to him, (if he had to pass accounts with other parties,) a discharge not only of the gross sum, but it was an explanatory discharge of all the items of which that gross sum consisted. If the Committee will take any of these, they will explain the fact.

[*A form was handed in, and is as follows*:]

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EXCHEQUER OFFICE, (p. Act 6-7. *Will.* 4, *c.* 83,) of COMPTROLLER-GENERAL.

No. Acquittance *2d day of May* 1856.

It is hereby certified that C. S. Grey, Esq., Paymaster of Civil Services, has paid into the Bank of Ireland Six hundred and Forty pounds Four shillings and One penny on account of deductions for Superannuation Fund per Act 4/5 Will. 4, cap. 24, (as per endorsement) to the credit of the Exchequer Account.

£. 640. 4. 1.

Exam^d
Clerk in the office of Comptroller-General.

Comptroller.

(Endorsement.)

	£.	s.	d.
Viz. Deductions made by Receiver of the Dublin Metropolitan Police, for the half year to 29th February 1856 - - - -	46	7	8
„ by Commissioners of Public Works, for three months to 31st March 1856 - - - - - - -	173	10	1
„ by M. O'Connell, Registrar of Deeds, for ditto - -	85	7	5
„ by A. B. Cane, Receiver of the Constabulary Force, for the month to 31st March 1856 - - - - -	65	–	8
„ by the Paymaster of Civil Services, from 28th March to 30th April 1856 - - - - - - -	269	18	3
£.	640	4	1

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As to the Customs, Excise, Stamps, Taxes, and Post Office, there is no difficulty; the present system of Bank receipt is perfectly good for the revenue, but it ought to have been confined to these Government payments. I think it will so far work well. If you carry it beyond that, I think you will find great inconveniences, even if I am not wrong in point of law. I wish to call the attention of the Government to the fact, whether I am not still compellable by law to give those acquittances, if they are required. The Report states that "each party paying should have a legal right to demand from the Exchequer a receipt, in common language and figures, and according to a prescribed form, which should be admitted by the auditors of public accounts, and by all other persons, as a legal discharge for the payment so made to the Bank." That is the Report; and the Act of Parliament says that "the acquittance for all payments shall be made out in such forms as shall be decided upon by the Commissioners of the Treasury." I doubt whether the power which is reserved to the Treasury, in that and in a similar clause, allowing them to make regulations, we will say, for the form and manner, gives the Treasury the power of dispensing with the documents altogether. I believe that a just construction is, and I speak under the highest advice in stating this, that if an Act of Parliament gives the Treasury the power of making regulations by minute, it is to carry out that statute, but not to repeal any portion of it. I believe that is the case. Therefore I seriously recommend the Treasury to revise that question of specifications and acquittances. I am quite sure that their object is quite right, and can be accomplished without any violation of practice or of law; I think that, at the present time, both are very doubtful.

3108. *Chairman.*] Your acquittances state the dates of the payments in detail; the dates of the separate payments?—They state the period up to which they are paid, and in the body they state the exact periods of the payments.

3109. Then you have, in the acquittance of the Bank, only the sum total of the issues?—Only the sum total, not the particulars.

3110. Mr. *Chancellor of the Exchequer.*] Will you point out to the Committee what is the provision of the Act of Parliament which you say the Treasury have attempted to repeal?—In the first clause of the Exchequer Act it states that acquittances for payment "shall be made out, signed, and delivered to the party making the payment, which shall be to such party a legal and sufficient discharge with the auditors of the public accounts and all other persons whomsoever." The form is afterwards prescribed under the Treasury Minute.

3111. Is this it: "And the other of such duplicates, vouched and signed by the said cashier or other officer as aforesaid, shall be returned by him to the person making the payment, who shall deposit the same with the said Comptroller of the Exchequer, by whom an acquittance shall be made out, signed, and delivered to the party making the payment, which shall be to such party a legal and sufficient discharge

* The example given is, however, of an Irish acquittance, which continues unchanged; but the principle applies to English acquittances also.

discharge with the auditors of the public accounts and all other persons whomsoever." That merely says, that he shall make an acquittance; it does not define it?—No, but I do not make one now. It is in the 11th clause: "and one of the said duplicates having been vouched and signed by the said cashier or officer as aforesaid, shall be returned to the party making the payment, in order to his thereupon obtaining from the Comptroller an acquittance in the manner hereinbefore directed, with respect to payments made by the tellers." I declined acting on the first suggestion made to me by the present Board of Treasury, considering the direction *ultra vires.* In this the Treasury acquiesced. You have taken the power by law to do that since.

3112. You state that the Treasury have virtually repealed this?—Yes, but they got an Act of Parliament giving them more power to do it. I think the Act is the 18 & 19 Vict. c. 96. So that I am not stating that the Treasury have done anything contrary to law, but I state as a general principle that in taking powers under the Act of Parliament to make rules, those rules should be made within the limits of the statute. The question had been conceded by a former Board of Treasury, and in that instance Mr. Goulburn had the case before him to decide whether under the general rules he could get rid of the specification; he never dreamt of getting rid of the acquittances, but he took, I believe, the opinion of the law officers, who said, You have the power of making regulations, but it does not enable you, by a minute, to alter an Act of Parliament. Then there came afterwards a new law, giving you the power of varying acquittances and specifications, and you have acted under the new law. There is no doubt that you have the power at present. But it seems to me that parties are still entitled to demand my acquittances, and that I cannot legally refuse them. I only state that it is, as I think, an inconvenient matter for the public service that those special acquittances should have been dispensed with; so far as the revenue departments are concerned you save a great deal of trouble.

3113. Mr. *Wilson.*] You do not raise the question whether the regulation that has been made has, in point of fact, had the effect of repealing the Act of Parliament?—Not at all; I stated distinctly that I believe you have Parliamentary power for doing it, but I think you have misused that Parliamentary power as a matter of judgment; I mean mistaken it.

3114. Mr. *Chancellor of the Exchequer.*] You think that the original enactment is a more convenient practice than the practice which has been substituted?—On the contrary, I think that your new practice is very much better in its main respect; you were right in dispensing with all those things as affecting your own revenues; you had the control of them, but with respect to such payments of sub-accountants, London Bridge, corporations, and public bodies, as well as private parties, I think the Bank receipt is defective; and in relation to those kind of payments, I think you were wrong. The parties are now applying to me for acquittances under the old system, and I do not see how I can, in point of law, refuse them.

3115. Though we are wrong you do not say that it is contrary to law?—No; but I think it is very inconvenient in practice. The trouble of making out these acquittances falls on me; but I should strongly recommend, in justice to others, that the practice be resumed. The distinction between public and private parties in this respect is laid down by the Commissioners' Exchequer Report, and should be adhered to. (Report, p. 9.)

3116. *Chairman.*] As it at present stands the party making payment has no acquittance, showing the dates when the several payments were made?—No; they do not show the dates of the payments, nor those several payments at all.

3117. Mr. *Wilson.*] Do not the receipts at the Bank bear the date of payment?—Yes; of the total payment, but I am informed that the Chamberlain of London cannot get his accounts settled in the Chamber of London for a part of that account, which was no acquittance, and which the Bank of England cannot give.

3118. Does the Bank of England not give him a separate receipt for every sum paid in on each day?—For the whole sum on the day's payment, but it is on all those separate payments; and the Bank of England will, I presume to say, never keep that account for you.

3119. They do not cut the monies up?—No; I know in the account to the Exchequer they do not. I should add that in relation to the Bank of England itself, I always give the full acquittances, and so in respect to Irish payments. Our practice, therefore, is inconsistent.

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3120. Sir *Henry Willoughby*.] I understood your Lordship to say, assuming the Legislature is of opinion that the office of Comptroller-general is of importance, it would be more convenient to you to state in writing how that office can be made more effectual than at present, than by examination?—I could tell the Committee the general principles upon which I think it ought to be regulated, but it would be very jejune and unsatisfactory; it is a very large principle that is to be examined and applied and I should rather have the power of giving it in a written than in an oral shape, to be re-examined in respect to such statement, if necessary, by the Committee, or by any other authority.

3121. It has been stated that the chief check, or the only one, on the public expenditure, is by concurrent audit; is that your opinion?—I do not know so much how the concurrent audit, as it at present exists, really works. I see many defects connected with the audit system, as a single check. In the first place, from the delay which takes place under the audit, it would only bring such a transaction under the cognizance of Parliament, if anything went wrong, some 18 months after its occurrence, and however much I respect both Houses of Legislature, I know that the attention paid to a matter which has recently occurred or to one that occurred 18 months ago, is quite a different thing with respect to a remedy; besides which it acts after the payment complained of has taken place. The principle is to avoid the misapplication of the public money, not to correct it when it has taken place. By the evidence I see it stated that the auditor has no power of stopping anything that is wrong. The power in my office altogether consists in my having the immediate power of saying No. It is a very disagreeable monosyllable to pronounce, and still more disagreeable for public departments to hear; but that is the sole duty and control that is vested in me. If I do not perform it firmly and undeviatingly, to Parliament I am responsible.

3122. Has it ever occurred to your Lordship that the power of the Comptroller-general and the power of the Board of Audit could be in any way combined, so as to render the two powers more effectual?—I think they could, that, I presume, was the intention of Parliament, when it enacted, in the Exchequer Act, that I should quarterly transmit to the auditors my detailed accounts. I have felt it to be, as a matter of inference, the intention of Parliament in calling for those accounts that they should be made useful to the public, which they might be; and I have lately added to them one particular branch of information, which they formerly had not. I was directed to give them the amount of the Exchequer warrants, I have added to that the dates which were formerly wanting; therefore if the auditors had authority to inquire whether there had been payments made without three Exchequer warrants, or before their dates, upon the account of those services, they would at once be able to detect whether there was any unauthorised transaction going on in the Paymaster's department; but I do not believe that that function is imposed upon them. I believe they say that they have nothing to say to the appropriation whatever, excepting a qualified power applicable to the three great services there.

3123. Is it not one of the great defects of the position of the Comptroller-general that he is in ignorance of what takes place from time to time in the progress of the public expenditure?—No doubt that is so; but the great point as to which I can speak with sincerity, after a practice of many years, is, great public security will be allowed if the two departments, the Treasury, on the one hand, giving the direction, and the Exchequer, on the other, having to decide upon the legality of that payment, should act cordially and earnestly together, neither viewing the other antagonistically, but knowing that they ought to have but one object, which is, seeing that the law is obeyed, and the public service is carried on as Parliament intended it to be. I had the benefit of that co-operation for a great many years, and I believe very excellent consequences resulted from it. What is really wanting is, that the same system of appropriation now enforced to regulate the issue of public money should be strictly adhered to by the Paymaster in its distribution, and that the law should be reverentially obeyed.

3124. Has your Lordship no official knowledge of all that passes through the Bank of England?—I have only a knowledge of what relates to my own department; I know nothing else. The moment that money is paid from the Exchequer credit account to the Paymaster, I know nothing more about it, and whilst the money is in the hands of the Receiver-general of the revenue, I know nothing of it either; I only know that I am placed there to control it in its passage through the Exchequer.

3125. Would there be any difficulty in furnishing your Lordship with information

mation of all that passes through the Bank of England: all the stated accounts?—That is a question rather for the Bank to answer better, I think, than I can. There are certain accounts at the Bank that would be, I presume, of very little service to me. I do get daily accounts and weekly periodical accounts from the Bank that keep me in possession of all that the Bank is doing in relation to my own functions; I have nothing but those accounts furnished to me by the Bank; the Bank returns are complete, if they are adhered to strictly; but you will see in the evidence that on one occasion the Bank endeavoured to adopt the plan of the Paymaster, and to consolidate, or as the phrase has it, to double up a good number of accounts. I objected at once to that proceeding; you will see it reported in the printed papers. The Bank admitted the force of my objection, and thus corrected a system which deprived me of all power of checking the particular payments, and they reverted to the older and better system; that was done cordially by the Bank the moment the objection was made. *See* Letters from Exchequer to Bank of England, 24th and 28th August 1846 (Papers, Appendix, p. 102).

3126. Practically you have no information now of what passes in the Pay-office?—None whatever, except as relating to the immediate concerns of my own department; as to what they do with the money, when carried to their drawing accounts, I know nothing; they may have in their hands money to any extent on the cash account, or employed for unauthorised purposes, which is practically speaking received by them for the Exchequer. I know nothing about it; I have not the power of calling it up; but as I have stated, I do know that this money is delayed much longer in its progress to the Exchequer under the present than under the old system, and during that time those monies are at the absolute control of the Paymaster. This evidently requires correction.

3127. Would there be any objection to your having weekly information of all that passes through the drawing account?—I do not see any objection to that; it may be possible, because I am so uninformed about the proceedings of the Paymaster, that I cannot speak with any authority. But if the Pay-office is to continue an office of receipt in its cash account, for sums not supplied from Exchequer credits, I should obtain information of the sums so received, and of the dates of all such receipts in order that I may see them transferred without delay; this will avert much misappropriation; I should thus know all that is received. I think this ought to be furnished from day to day, or at least three times a week by the Paymaster, showing the payments made to him on account of the Exchequer, which he is bound to hand over to me, and which ought to be returned to me without delay; the payments are of two kinds, one of monies which he receives *in transitu* for the Exchequer, and which ought to come to the Exchequer as soon as they are paid to the Paymaster; the others are monies payable to separate departments, and those ought to be handed over to those departments forthwith, but there ought to be no balance of unaccounted for monies left habitually in the hands of the Paymaster to his cash account.

3128. Mr. *Williams.*] Your Lordship has been good enough to promise that you will furnish the Committee with your opinion in writing as to the best means of protecting the payment of public monies in all the departments?—There is no direction that the Committee can give me that I shall not endeavour faithfully to fulfil, because I consider myself as a Parliamentary officer, and responsible to Parliament; and therefore I feel that I am not setting aside the authority of the Crown in any degree by endeavouring to make out for this Committee, or for either House of Parliament, any statement they may require me to prepare.

3129. Mr. *Bowyer.*] Are the Committee to understand that it is your Lordship's opinion that the Exchequer should be furnished with an account, from time to time, of the payments made by the Paymaster from his drawing account?—That was not my statement; I stated that I should think it was right if the Paymaster was to furnish me from day to day, or three times a week at the least, with an account of all sums which had been received by him to his cash account, and which he was bound to pay over to the Exchequer; that I think is essential.

3130. Those sums consisting of repayments for stores?—By no means limited to repayments; on the contrary, there may be some sums which are repayable to the Exchequer with others, like payments from the Board of Works, and other payments of that description, which are payments in which the Paymaster acts as banker for other departments, as to which it is essential that the Exchequer and the Treasury should see that he complies with the terms of his trust by

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by paying into the Exchequer, without delay, all that he has received for the use of the Exchequer. I hold in my hand a paper which shows the delays which had taken place in consequence of transferring to the Pay-office payments which were formerly paid direct by the accountants. This is all made out from the Exchequer books, and if the Committee wish to have it I will put it in.

3131. Does not your Lordship think it would be convenient that payments should be made directly into the Exchequer, with notice to the departments to which they appertain?—The old system was in this respect infinitely better than the new; I think that when payments were made direct by the Board of Works, it was better than directing the Board of Works to pay direct to the Paymaster's-office, and that he should pay to the Exchequer; there was as much facility in the Board of Works paying to me as paying to the Paymaster, the double operation was avoided, and the possibility of misappropriation in the pay office checked.

3132. With regard to repayments, such as of the produce of the sale of stores, does not your Lordship think that in substance those repayments should be treated as revenue paid into the Exchequer, and not to the Paymaster?—The produce of old stores is paid to the Paymaster, and by the Paymaster repaid to the Exchequer; I observe this, because evidently it must be a mistake in Mr. Anderson's evidence, from which persons would conclude, as the Honourable Member has who puts the question, that it was paid to me by the accountant of the navy; it is paid by the Paymaster.

3133. I understood Mr. Anderson to state that the produce of the sale of stores does go back into the Exchequer; I want to know whether your Lordship's opinion is not that the produce of the sale of stores should be repaid into the Exchequer, and not through any department?—I should doubt very much whether old stores do not constitute repayments of a particular character; I formerly received direct repayments from London Bridge; and in similar cases I could undertake that duty; but if I, as the Comptroller of the Exchequer, were to take upon myself to pass any judgment whether the sums for old stores were right or wrong, I could not do it; it is not a fixed sum, nor have I any knowledge whatever that would enable me to ascertain whether the sum was the right sum or not. I believe the proceeds of the sale of old stores, so far as I can ascertain, is very correctly paid; that is to say, it is very regularly paid into the Exchequer at the time fixed on the part of the Paymaster; I believe it is very well done. If the amount of the old stores to be paid in, were first to be checked by parties conversant with such transactions, it would be better it should be paid directly to me than circuitously.

3134. With regard to the repayments between the departments, is it your Lordship's opinion that those repayments should be made direct into the Exchequer?—If my notions of right and wrong with respect to Exchequer administration were enforced, the repayments to departments would be very much limited; as long as you have a system by which one department assists another, that there is borrowing on the one side and lending on the other, you will have a complicated system of repayments going on affording facility for irregularity; but if that is put an end to by the enforcement of what I consider the legal regulations upon the subject, you will still have repayments in the way of drafts from foreign stations; those are to be dealt with through the Commissariat Chest account.

3135. Is your Lordship of opinion that there should be any, and what control upon the drawing account of the Paymaster-general?—I should prefer giving no answer upon that, on the grounds I have already stated. I really do not know the details of the Paymaster-general's office, but I should think, as long as it consists of a drawing account fed indiscriminately from two funds, the one the Exchequer credit account and the other the cash account, and that into that cash account a variety of miscellaneous payments enters, there should be a very strict check put upon the drawing account and the cash account both; whether that is administered so strictly now, the evidence is so conflicting, that I can hardly myself know.

3136. I mean especially whether there should be any control, or could be any control, for the purpose of preventing that which your Lordship has described as misappropriation by the Paymaster-general?—That would raise the question of a concurrent audit with respect to the drawing account, and I should like to know more, and to have before me the evidence of the auditors in respect to the effectiveness of their check over the three great services, before I can express

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an opinion whether the mere extension of that system to the Civil Votes would be very effective or not. I doubt its being so effective as one could wish in the present state of the functions of the Audit Board.

3137. Your Lordship is not prepared to make any suggestions as to any control over the drawing account of the Paymaster-general?—I should rather reserve that until I see the evidence completed.

3138. Mr. *Chancellor of the Exchequer.*] Supposing the cash account at the Paymaster's-office were got rid of altogether, partly by provisions of an Act of Parliament, and partly by regulations of the Treasury, and the regulations as to the drawing account remained as they are at present, and if the Paymaster appropriated no sums of money from the drawing account for which there was not an Exchequer credit standing, would a plan of that sort fulfil your Lordship's views as to specific appropriation in the Paymaster's-office?—It seems to me that that would fulfil them perfectly; but I think one must see what arrangements would be made concurrently with that for the payments of the Commissariat Chest accounts which must come without an Exchequer credit.

3139. The Commissariat Chest account has always stood as a separate account, has it not?—Certainly.

3140. Confining yourself at present to the four accounts in the Paymaster's-office, if three accounts stood, the Exchequer credit account, the drawing account, and the bill account, and if proper arrangements were made by which the cash accounts were extinguished and the system were conducted upon that principle, would your views as to the specific appropriation of the issues of the public money be satisfied?—It would be a great step in advance. In that way the Paymaster would have no monies in his hands except the Commissariat Chest monies, the contingent fund and the Exchequer credit fund; but I think it would require a great deal of consideration to see in what manner it could be realised.

3141. Do you believe that a plan of that sort would lead to an increase in the amount of the balances in the Pay-office?—Not in that step of the chain, but in the steps that might be consequent upon that it perhaps might.

3142. Mr. Anderson stated, did he not, that he believed that the cash account fund might in a year of peace be taken at about 2,300,000 *l.*; and he said that of that sum 2,000,000 *l.* consisted of repayments, and 300,000 *l.* of revenue?—Yes.

3143. With regard to repayments it is clear, is it not, that according to the present law the departments cannot venture to repay to the Exchequer, because they would diminish their vote by an equal amount?—Yes; if they paid it back to the Exchequer simply, to the general Exchequer account. But perhaps it might be paid over to a secondary Exchequer account for repayment or transfer of advances, or lodgments on account of specific departments, to insure its application to those uses and to no other.

3144. If they paid it back to the Exchequer they could not get it out again?—No.

3145. Therefore that would diminish their vote *pro tanto*?—Yes.

3146. In order to enable the advances made by departments for another department, or for any public service to be repaid into the Exchequer, it would be necessary to alter the law?—Certainly, alterations in the law would be requisite.

3147. If the law were altered, and if a charge were made by a nominal payment into the Exchequer, would that in your opinion necessarily lead to any increase of the balances in the Paymaster's office?—No; I do not think it would.

3148. Then we should have only to deal with about 300,000 *l.*?—Yes; assuming those figures to be right.

3149. *Chairman*] I see that in answer to questions put to Mr. Anderson, he states that all the business, excepting the preparation of Exchequer bills, and the small duties connected with the weights and measures, might be transacted by one junior clerk, and that if he allowed two clerks to do the whole business, he thought that that would be a very exaggerated estimate; in the first place, will you allow me to ask you, whether the preparation of Exchequer bills could safely be moved from the Exchequer office to the Treasury or to the Bank?—Mr. Anderson makes that suggestion, and he makes it as based upon the report of the Commissioners; I mean the original Com-

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mission of Inquiry; but he omits altogether, in repeating their recommendation, to say that they felt the necessity, even if that transfer was made, of preserving the Exchequer control, and they required that before the Exchequer bills were put into circulation after they were made out at the Treasury, they should in every instance receive the signature of the Comptroller of the Exchequer.

3150. That each separate Exchequer bill should receive that signature?—Yes. Therefore, according to their recommendation, there was a double operation carried on in two different departments, still preserving the control of the Exchequer as against any undue issue on the part of the Executive Government.

3151. Therefore the Report of 1831, though it recommended the transfer of the preparation to the Treasury, still retained the control of the Exchequer, and left to the Comptroller of the Exchequer nearly as much labour as he would have now?—So far as he is concerned, quite as much. It was evidently an operose and complicated plan. The plan under which the Exchequer bills are now issued was prepared by me originally, and was adopted by Sir Robert Peel's Government, on communication with the Commissioners that were then sitting; and Mr. Goulburn described it in Parliament, in the year 1843, on the 22d of February, "that the precautions taken were such as he believed would place the bills beyond the skill of the most ingenious person to repeat the forgery." This was a short time after the forgeries of Mr. Beaumont Smith. "The regulations now adopted," he said, "with respect to the Exchequer bills, were such as, in his opinion, would render the forgery of them impossible, even though the same combination of individuals and circumstances that had existed in the recent case should again occur." If the Committee desire it, I can describe to them what the system is, which will measure the labour of making out the bills.

3152. You know the labour of preparing Exchequer bills and signing them; do you think that the Treasury could perform that duty without increasing its staff, and without encroaching upon the time of those higher officers who would have to sign the Exchequer bills?—It would be entirely impossible, unless the Treasury business is very different from what it was in my time. The difficulty that arises out of the preparation and signing of Exchequer bills is, that it creates an increased demand for work at particular times of the year, that is at the times of the exchange; and therefore, in every department that is charged with occasional work of this kind, you must keep your supply of labour up to its maximum. You therefore have, in order to be able to do your work at one season, somewhat more hands than may be required at another season; but the Treasury, in my judgment, no more could undertake, in addition to their present functions, to prepare and issue Exchequer bills, than they could fly; they must have an increase.

3153. The Commissioners of 1831 proposed to retain the control of the issue of Exchequer bills in the Exchequer, although the preparation of them was transferred to the Treasury. Do you believe that the preparation, signing, and issue of Exchequer bills could be safely placed in the Treasury, without the control of the Exchequer?—I think that a more dangerous plan, upon constitutional grounds, could scarcely be contemplated or adopted. I think that to give to the Executive Government at any time the power of making out exchangeable securities, transferable from hand to hand, and payable to bearer upon the plan of our unfunded debt, and of issuing them without an independent check or control, would be one of the most dangerous steps that could be taken; more especially since the introduction of late years of new practices with respect to Exchequer bills. I allude to large purchases of bills by the Commissioners for the Reduction of the National Debt on account of savings banks, together with the power given to these Commissioners, or in reality to the Chancellor of the Exchequer, of funding them at discretion. To the proposal of retaining those powers of funding, with an unchecked power of making out those securities, I think the constitutional objection is both obvious and insuperable.

3154. Will you explain to the Committee how you suppose that it would work injuriously?—For instance, amongst the cases of control which are now before the Committee, there is one as to which the Treasury pressed me exceedingly to issue Exchequer bills for them before those Exchequer bills were legally issuable. I declined doing so, and the Treasury acquiesced in my objection. I am not prepared to suggest that when they pressed me to do that they were quite aware that what they required was contrary to law. It was on the 21st day of March 1854 that

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that I had the honour to receive a letter from the then Chancellor of the Exchequer, who states: "I find from Mr. Anderson that he has seen Mr. Ottey, and that he learns that there is some doubt on your Lordship's mind as to the legality of any issue from the 1,750,000 *l.* of Exchequer bills to be authorised by the Bill now in the House of Lords, before the new financial year begins. We have already been obliged to send money abroad (with the due formalities previously gone through), the expenditure of which belongs to 1854-55; and it is highly necessary that I should have the means of meeting those demands, should it seem fit, by appropriations of these Exchequer bills. If, therefore, your Lordship entertains such a doubt, will you kindly supply me, at your earliest convenience, with the grounds on which it rests, that the matter may be put in course to be cleared up." My answer is given on the 22d of March, the day following, in which I state: "The Exchequer bills now voted are, therefore, legally issuable only for the purposes of the year, from 1st April 1854 to 31st March 1855. You will find this principle laid down in my correspondence." Then I add: "I do not quite understand your statement that you have been obliged to send money abroad for expenditure of 1854-55, 'the due formalities being previously gone through.' No Exchequer warrant either has, or in my mind could, be granted to that effect." I refused to make this issue. I doubt whether a Treasury clerk holding during pleasure would have done so

3155. I put this case: supposing the Treasury were to go beyond its duty, and to issue an amount of Exchequer bills not authorised by Act of Parliament; and, supposing they were to issue them so as to get into the hands of the Comptroller of the National Debt, and they were then converted into stock under the Act of Parliament, as savings banks' money, how would that be checked by the Commissioners of Audit?—I am not aware how it would be checked; I am not sufficiently familiar with their proceedings. I see the inconvenience that might arise, an inconvenience greatly increased in consequence of such purchase and sales of stock on the part of the national debt or savings banks.

3156. Do you know of any means, so far as you know the practice of the Audit-office, by which that would come under the control of the Audit Board?—I doubt its coming under control of the auditors at all.

3157. Would it appear in any shape in the finance account, so as to call for the attention of Parliament?—It would appear in the finance accounts, in the statement of the national debt, showing the increase or diminution of the funded and unfunded debt; that is an item in the finance accounts, but I have found out at least one serious irregularity in this branch of the accounts which greatly diminishes my confidence in their correctness in past times. I found out a statement made to Parliament of 25,000 *l.* returned year by year, by the former department of Paymaster of Exchequer bills, as an amount of bills outstanding; upon investigation, I found that that was a pure delusion, and that no such bills were outstanding or overdue, but that there had been a disputed account between the Treasury and the Paymaster of Exchequer bills, and that it was agreed, at a remoter period, to write off the amount of the disputed account, by charging it as Exchequer bills outstanding and overdue, to the extent of 25,000 *l.*; but no such bills existed, and the whole thing was a delusion. The Committee will find all that stated in the correspondence that I have laid before them. I state this as showing the necessity of having some check over this branch of the public service.

3158. That circumstance, so far as you are aware, was not brought out by the Commissioners of Audit?—Not according to the regular form of business; but after an inquiry carried on by myself, I begged the Treasury to refer it to the Commissioners of Audit, and they did so; and there is a report of the Commissioners of Audit upon the subject, which shows to me that their powers were inadequate for pursuing such an investigation.

3159. That was checked when the Exchequer bills were transferred to your office, was it not?—It was checked in my office in the duties connected with the Exchequer bill department.

3160. To return to the evidence of Mr. Anderson: it was stated by him that, removing from your office the special duties connected with the weights and measures, two clerks might do the whole business, and that that was a very exaggerated estimate: is that your opinion of the duties of your office?—I can only state that it is entirely at variance with my own positive experience: and if the Committee will do me the honour of inspecting the office, and seeing the duties my establishment is called upon to fulfil, I think they will agree with me

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in opinion. I am sure that Mr. Anderson made that statement, believing it to be perfectly true, but I believe he spoke without adequate information.*

3161. Has Mr. Anderson ever been to your office?—Not that I know of; I can quite imagine a person not understanding the matter to be led astray.

3162. In 1848, do you remember that in consequence of some difficulty in obtaining Parliamentary sanction to an increase of the income tax, the Estimates that were laid upon the Table by the Government were taken back for reconsideration; and upon that occasion all the Miscellaneous Estimates were gone through; at that time was a consideration given to your establishment?—That was the case, but perhaps it might be better, in the first instance, to state how the establishment was originally formed. It was formed by a very economical Secretary of the Treasury at the time, the Right honourable Gentleman who is now in the Chair, and the establishment was fixed upon full consideration.

3163. Did the Commission make any recommendation as to the amount of the establishment?—Yes; the Commission gave a recommendation, and that recommendation has been acted upon, except that the establishment has been rather reduced by myself since that period. At page 16 of the Paper before the Committee, is the following statement of the Exchequer establishment;

		PER ANNUM.
	£. s. d.	£. s. d.
" One Comproller-general of the Exchequer	- - -	2,000 - -
One Deputy Comptroller-general - -	1,000 - -	—
One chief clerk - - - - £. 800	—	—
Two sub-clerks, at 200 *l.* - - 400	—	—
Two auxiliary clerks, at 120 *l.* - 240	—	—
Two sub-auxiliary clerks, at 80 *l.* - 160	—	—
	1,600 - -	—
		2,600 - -
	£.	4,600 - -"

The Commissioners have not here adverted to the Weights and Measures department, and they recommended a transfer to the Treasury of the duty of preparing Exchequer bills. I hold in my hand the establishment settled in 1834, and as it now is. Of course there are increases of salaries to some of the clerks, by reason of length of service; but there has been no other increase of salaries, with the exception of 100 *l.* a year to the chief clerk, upon the annexation of the whole of the Irish business to the English business, which was not contemplated at the time of this report; that added about one-third part to the business of the department, which has been executed with an increase of only 100 *l.* a year. That the salaries are below those in other departments will appear from the paper I put in. I have, on full consideration, recommended an increase myself, so far as certain individuals are at present concerned. The paper shows the correspondence respecting the establishment, and the work done.

Vide Appendix.

3164. Then the Committee who arranged the duties and recommended the amount of the establishment for your office, did not consider that the duties could be performed by two clerks?—Certainly not; and they had carefully investigated the business.

3165. You stated that there was a reconsideration in 1848 by the Treasury; was there any alteration made in your establishment on that occasion?—No, there was not; in 1848, it was also considered by a Committee of the House of Commons.

3166. Those amended estimates were referred to a Committee of the House of

* In recommending the transfer of the Weights and Measures department to the Mint, he ought to have known that I had made that recommendation to the Treasury. The Mint reported strongly against it, and on their authority it was abandoned.

of Commons?—Yes: and a Committee of the House of Commons reported (though Mr. Anderson seems not to have noticed it), that they had no objection to offer to the scale of the establishment, but they considered it moderate and reasonable, or some term to that effect. The words of the Report are, "The Committee have examined into the establishment of the Comptroller-general of the Exchequer, and do not find any extravagant amount of persons or of emolument."

3167. Up to the time when you appeared before this Committee, had you from the Treasury any reason to suppose that two clerks could do the duties of your office, and that your establishment was extravagantly large?—On the contrary, I had been asked in common with other departments, by circular, whether I thought it admitted of diminution; I suggested to them the diminution of I think two or three of the inferior persons connected with the office; a messenger and a watchman; watchmen being required from the amount of Exchequer Bills that we occasionally have on hand; I recommended the reduction of one clerk, and the reduction, I think, of the three other subordinate officers I have alluded to; thus far it has been reduced at my own suggestion. The Treasury also asked me on one occasion whether in their press of business I could lend them the services of some of my clerks. I said that it was impossible for me to lend them during the time of the Exchequer bill exchange, but that when that was over I should be very happy to do so, and I could do it without public inconvenience. I was never asked to carry that offer into effect, but I do not think if the business remains as it is, it could be carried into effect upon a lower establishment than my present one during our bill business. I am sure that neither I nor any one in his senses could believe that it could be carried on with an establishment of two clerks; but I see the mistake that Mr. Anderson has made; he is unacquainted with the peculiar practices of our office, or how much it involves beyond transcription or entering of accounts.

3168. Since the time when the establishment was recommended by the Committee, and sanctioned by the Treasury, have the duties of your office been increased by the addition of the Irish business?—The whole of the Irish business has been added to the office, which has been a great improvement for the public service, and not more than the public have a right to cast upon the Exchequer. We might do more business at the Exchequer, it is quite true, during a great part of the year, but when called at once to execute our general functions and to make out Exchequer bills, we could not undertake more business than at present executed. I was obliged to decline attending this Committee during that period; I could not have done it.

3169. I was not speaking of your Lordship's own duties, but of the duties of the subordinates in the establishment?—It applies quite as much to them as to me. I beg to lay before the Committee a list of the books and accounts; of all our books, which are kept in the most regular order, and of which I am quite sure Mr. Anderson could not have been aware, when he gave that opinion. I should be glad if he were asked whether he knew what accounts were kept in my office. (*The same was delivered in.*)

Vide Appendix.

3170. When you were at the Treasury the Miscellaneous Estimates were submitted, were they not, by the Treasury, for the sanction of Parliament?—Yes, certainly.

3171. Was it not your duty at the time that you were Secretary of the Treasury, and of the Chancellor of the Exchequer, to investigate whether the establishments demanded by the several departments were beyond what they thought necessary?—The estimates for Army, Navy, and Ordnance were for the most part a matter of Cabinet arrangement, and the force to be kept up was a matter of which I, whilst Secretary of the Treasury, knew nothing, excepting from the instruction of my superiors. But as to the duty of the Treasury in itself to superintend all the preparation of estimates, I had always understood, certainly practised as Chancellor of the Exchequer, that communications were held with the Cabinet Ministers at the heads of those departments, with all those departments in respect to their estimates; and when a change was to be made; when large ordnance works, for example, were to be executed; when the army was to be remodelled in its armament, as by adopting detonators in place of flint and steel guns, the increased estimate was settled between Sir Hussey Vivian and myself. Before the estimates were prepared he came and explained what the

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the cost would be, and all that was agreed to at the Treasury before the cost was incurred, and so with respect to ordnance works.

3172. With regard to those estimates, though they must receive the sanction of the Treasury before they are submitted to Parliament, the respective departments are supposed to be primarily responsible for the estimates?—Yes.

3173. With regard to the Miscellaneous Estimates, was it not the impression, when you were at the Treasury, that the Treasury was responsible for those estimates when they laid them on the table of the House?—It was not only the impression of the Treasury, but the practice of the Treasury.

3174. Is not that the constitutional view of it?—I think that the departments have to make suggestions, but that those suggestions are to be considered and adopted, rejected or modified by the Treasury, and that the Treasury is ultimately responsible for those estimates. Indeed any alteration of the establishments requires the consent, and is thus brought under the responsibility of the Treasury. Even the departments which require the sanction of an Order in Council, such as the Secretary of State, the Privy Council, and the Board of Trade, must first make out their case, as far as relates to money, before the Treasury. Acting upon that principle, the Government of Lord Grey took out of the hands of the Irish Government, which up to that period had prepared the Irish estimates, the whole of those estimates, and placed them under Treasury responsibility, and produced some of the largest and most efficient reforms, in consequence of that change, that had been effected; I believe that to be the course now; I believe that Lord Monck and Mr. Stephenson were employed by the Treasury this very year most usefully, in going over to Ireland, in revising a large establishment, which was to be provided for by the estimates. I never heard a doubt upon this subject. The mistake into which Mr. Anderson has fallen is a mistake in assuming that everything that is done at the Exchequer is purely done arithmetically, and that a certain number of signatures or of papers will represent the amount of the work done; that is entirely an error. I hold in my hand the Consolidated Fund Warrants for the past quarter, which are few in number, comparatively speaking; and Mr. Anderson, or anyone, being a mere cursory examiner, would consider that the duty was represented by the number of those warrants which I hold in my hand. I beg to submit one to the Committee (*producing the same*). This is the warrant for the Courts of Justice; it is but one warrant, it is true, but the Committee will observe that it consists of a document of six printed pages, going into the details, containing the names of all the parties receiving public money, on this head of services, from the Consolidated Fund, the amount that they receive, and the Act of Parliament under which they claim that amount, and every one of them must be regularly checked every quarter in order to ascertain the legality of those payments. There is a Scotch Warrant (*producing the same*), which will exemplify the same thing. It is through the medium of these returns that my control is exercised over this branch of the service. Every change that takes place must be entered in these warrants, and the authority must be produced to justify that change in every instance whatever in which a change is made. Each entry therefore becomes a separate question of individual control. I believe that is the mistake that was made. Mr. Anderson also states that the Exchequer communicated merely with the Treasury and the Bank of England. This is a list of nine several departments with whom we have communication.

[*The same was delivered in, and is as follows:*]

Bank of Ireland.	Paymaster-general.
Paymaster of Civil Services, Ireland.	Commissioners of National Debt.
Commissioners of Public Works, Ireland.	Commissioners of Woods, &c.
	Commissioners of Works, &c.
	Inclosure Commissioners.
	Master of the Mint.
Bank of England.	Revenue Departments.
Treasury.	Commissioners of Audit.

Again, under the old system of the Exchequer, there was formerly one Royal Warrant for each vote in the miscellaneous services. There is the Royal signature, and here is the counter-signature (*exhibiting a Paper*). Now, by the change lately made, which I think a very good one, the Treasury, in place of having perhaps 150 to 200 separate Royal Warrants, insert a whole series of votes

votes in one document bearing one sign manual, which lessens the work of the Treasury in transcribing all those warrants; but to me the result is the same, for I have to consider the legality of all those separate votes upon the consolidated warrant, exactly the same as if I had them all as separate instruments. Therefore, the Treasury have adopted a change, which I think a very wise and sensible one, but it does not diminish the labour, the responsibility, or the authority of the Comptroller.

3175. Mr. *Wilson.*] The separation of those individual votes is merely a comparison of them with the Appropriation Act?—It is a comparison of them with the Appropriation Act in instances in which the Appropriation Act is carried into effect, but that would not be always conclusive; for there may be, for instance, a sum voted, and if the whole sum was to be drawn, in circumstances where the contingency under which that vote became due had not occurred, supposing, for example, that the vote was passed to provide for a department that had been abolished, I should not issue the money.

3176. Mr. *Chancellor of the Exchequer.*] What are the subjects of correspondence in general with other departments, besides the Bank and the Treasury?—They are varied. I have merely extracted a list of all the books here, which I have given in; with some of these departments the correspondence is infrequent. I have besides a miscellaneous correspondence with private individuals; the correspondence with many of those is but short and occasional, but still it is a correspondence which takes place between me and those departments and individuals occasionally; the whole particulars are open to the Committee; the books are in the room, and at their command.

3177. You are doubtless aware that a feeling prevails in the City that it would be desirable to dispense with the system of making periodical exchanges of Exchequer bills; do you believe it would be possible to devise any plan by which the necessity of effecting those exchanges could be avoided, and the same bills allowed to run on without exchange?—It was thought possible that that question might be asked, and therefore I was reminded to bring down a paper upon that subject. Mr. Gladstone wrote to me on the 17th of May this note: "Will you kindly look at the enclosed paper of suggestions by Mr. Masterman, and comments by Mr. Anderson, with respect to the presentation annually of Exchequer bills, and the payment of the interest upon them. It is not distinctly stated, but I conclude, as matter of course, that it is not meant to alter the maturity of the bills at 12 months. At your convenience you will perhaps kindly let me know in what light these suggestions strike you." Here is Mr. Masterman's suggestion, here is Mr. Anderson's report, and here is the report which I addressed to Mr. Gladstone on the subject, which I can put in; it will give the Committee the fullest information that I can offer them on that subject; the subject deserves consideration, though it is encompassed with more difficulties than would at first appear. Possibly from a consideration of those difficulties, or from some other cause, I never heard upon the subject from the Treasury again. I now beg to hand in those papers. (*The same were delivered in.*)

Vide Appendix.

3178. Mr. *Hankey.*] How many clerks are employed in the arrangement of Exchequer bills previous to their issue?—Previously to their issue, we have three that are specially connected with the Exchequer bill department; but they are also employed on the general business of the office at the time that the Exchequer bills are not in progress of execution; when the period of exchange comes I not only require all three, but others of the clerks into the bargain.

3179. At the period of the exchange of Exchequer bills, are there three clerks who are fully occupied in that business?—Yes, fully; and they could not complete the business without additional help.

3180. That is independent of your Lordship and the Deputy Comptroller?—And independent of some of the other clerks that are removed from the account department to assist them.

3181. How many clerks are employed in the Exchequer office exclusively on that business at the period of the annual exchange, or about how many?—There are six in all; there are three withdrawn from the other departments in addition to the three that belong to the Exchequer Bill Department, but not for the whole of each day.

3182. How much time is occupied by yourself and the Deputy Comptroller of the Exchequer in signing Exchequer bills?—The time is a limited time, because it is limited by the amount which the printer can furnish me with in the day; we sign in a day all that the printers, Perkins and Co., can furnish us with in

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in a complete state; we never leave bills unsigned; we complete the work within the day. Every stage of the proceeding, from the making of the paper to the printing, sealing, counter signature, record, delivery of bills, counterfoils, and registries, are completed under our own responsibility.

3183. Do you remember how many Exchequer bills you can yourself sign in a day?—Yes, I think generally speaking about 1,500 bills are prepared in one day; we sign them generally in even quantities; one half I sign and one half the Assistant Comptroller signs; about 1,500 is the average number that Perkins and Heath furnish me with in the day; that is 750 daily for the Comptroller, and the same number for the Assistant Comptroller.

3184. Then 750 each is about as many, in accordance with the arrangements for the printing, as can be conveniently signed in one day?—In accordance with the arrangements made with the printers, and with the sealing, the cutting, and separating the counterfoil of the register, and binding up those separate documents, and depositing them in a complete state upon the registry being closed. The rules for executing these duties have been laid before Parliament, and will be found in the Sessional Papers.

3185. Suppose the annual amount to be the ordinary average, how many days would be occupied in signing Exchequer bills by your Lordship and your deputy at the rate of 1,500 Exchequer bills a day?—I can furnish the Committee at once with that return; it was communicated to Parliament for about six or eight successive years; I can let you have an exact return of the whole of the business done.

Vide Appendix.

3186. You stated, did you not, that you considered it very unconstitutional and dangerous for the Treasury to have the power of issuing Exchequer bills; is it not generally supposed that the check against a larger amount of issue of bank notes by the Bank of England than the law allows is now quite sufficient to prevent any excess of issue by that establishment?—I cannot undertake to say what the public opinion is, neither do I know whether the Bank of England acting jointly as a court of directors, in which each acts as a check upon the other, could by possibility, if so inclined, which I am far from suggesting, violate the law in this respect.

3187. Has your Lordship ever heard it suggested that the Bank of England would issue a larger amount of bank notes than is allowed?—I have never heard it suggested, and if I had I should not believe it.

3188. Do you consider that there is any constitutional question involved in the Treasury issuing a larger amount of Exchequer bills through the Exchequer than is sanctioned by Act of Parliament, which is not equally involved in the question of the Bank of England issuing their notes to a larger amount than is allowed by the existing Act of Parliament?—Replying to the question in its terms, if the Treasury are to execute those functions through the Exchequer there can be no danger at all, because there a check is interposed; my apprehension was, that if the Treasury within its own department acted from itself, and without control, cases might arise in which mischief would be done. The Bank is a commercial body exclusively. The Treasury is political, and exposed to political pressure and temptation; it is therefore subjected to constitutional restraint, and responsibility.

3189. I meant, if the Treasury were to issue Exchequer bills, without any reference to the Exchequer, do you consider, in a constitutional point of view, that there would be any greater risk of an undue and illegal issue of Exchequer bills, than in a constitutional point of view is now involved in the right or power of the Bank of England to issue a larger amount of notes than is sanctioned by Act of Parliament?—I do not see any constitutional question that enters into the Bank question at all; there is a constitutional question that enters into the action of the Government, and I agree with the Commissioners of Public Accounts, whose names have been already before the Committee, namely, Sir H. Parnell, Sir James Graham, Sir Francis Baring, Mr. Ellice, Lord John Russell, the late Sir James Kemp, and Mr. Poulett Thomson, that if the power of making bills were to be transferred to the Treasury, it would be necessary, on constitutional grounds, that the Exchequer check should be still exercised by requiring the Exchequer counter-signature. The words of the Report are as follow: "to prevent the issue of any Exchequer bills beyond the amount authorised by Parliament, it should be provided that every such bill be countersigned at the Exchequer before it can obtain a legal currency." (Report, p. 16.)

3190. Are not both issued under direct Acts of Parliament?—They are.

3191. Are you aware of anything to prevent the Bank of England now issuing beyond the limit prescribed by the Act of Parliament; beyond the necessary weekly publication so prescribed?—I know of nothing else. It is in the integrity of their returns that the public get a security that the law has been obeyed.

3192. Would it not appear to follow that a similar check might be used to prevent an undue issue of Exchequer bills by the Treasury, if under their control, to that which is now in existence with regard to Bank of England notes, which are regulated by Act of Parliament?—The constitution of England is founded on a jealousy of the Executive Government, and therefore checks are required in dealing with the action of the Government, which a commercial company, like the Bank of England, may not in any respect require. I think that a constitutional check is necessary, and as the best proof of its being necessary, I can hardly conceive the possibility of the public enduring that the Government should have an unrestricted power of creating Three per-cents.; and whether it is the power of creating Three per-cents. or Exchequer bills without some check, and without some control, I can see no difference between the one and the other.

3193. A paper was put before this Committee, I believe by Mr. Hoffay, which stated that in 1849 a letter was written from the Bank of England, dated the 8th of February, suggesting an improved mode of keeping the accounts at the Bank of England with regard to Exchequer credits, and stating that if the accounts were kept in the same way as every other account at the Bank of England is kept, the number of entries respecting every account would be reduced from eight or eleven to three entries; is your Lordship aware of such a paper having been sent from the Bank of England to the Treasury in 1849?—Yes, I am, by the paper which I have read; but the fact was altogether new to me.

3194. Since that period, 1849, has the subject been considered at the Exchequer in connexion with the Treasury?—Not at the Exchequer; but the subject was previously raised at the Exchequer in an incidental case. The suggestion of the Bank has never been adopted, and it is my opinion that it would be a dangerous thing for this country if it were. It might be, I admit, convenient to the Bank, but it would deprive the Government and the public of the security and check the Bank accounts now provide them. The Bank or the Paymaster at one time endeavoured to effect an object of this kind of their own authority. I called their attention to the fact, 24th August 1846, and informed them that it was contrary to usage and to law; that it deprived me of the check which the constitution of my office gave me; and the Bank acquiesced in that statement, and resumed the practice to which I had called their attention. The correspondence will be found in the Appendix to the Exchequer Memorandum, p. 102.

3195. Does your Lordship think it is desirable for the Treasury to employ the Bank to ascertain the appropriation of the money to their proper accounts in detail?—I think it is essential for the Treasury to see that the Bank of England, which is remunerated for its services to the State, should in return for that remuneration keep its accounts with the Government in the manner which the public convenience and the public safety require.

3196. I infer from that answer that your Lordship considers it is essential for the public safety, and for the convenience of the Treasury, that the accounts should be kept in that detailed form which is now in use, and has been in use, notwithstanding the suggestion made by the Bank of England?—I think that is absolutely necessary so far as relates to the accounts to which I now refer, and to which I limit my observation; and it seems to me that the Bank are of my opinion. A letter was written by me on the 24th of August 1846 to the Governor and Deputy-Governor of the Bank of England, in which I state: "I beg leave to call your attention to the Exchequer account of the Paymaster-general, as to the mode in which the balance on his accounts is returned by you to this office in your quarterly statement of balances of public accountants. In the statements alluded to, one general balance is given on the Paymaster-general's accounts kept at the Bank of England; by the 23d section of the Act 4 Will. 4, c. 15, the balances on each head of service, according to credits granted by the Comptroller-general, are required to be stated in the accounts transmitted annually from this department to Parliament. I have therefore to request that in future you will give directions for the Exchequer balance to be so stated separately,

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separately, as to enable me effectually to comply with the provisions of the said Act." The answer was immediate, on the 28th of August, to this effect : "My Lord,—I have the honour to acknowledge the receipt of your Lordship's letter of the 24th instant, suggesting certain alterations in the present mode of returning the balances of the Exchequer account of Her Majesty's Paymaster-general ; and in reply, I am directed to state that instructions have been given to the proper officers of the Bank to make future returns in question in conformity with your Lordship's suggestion."

3197. How is that in conformity with any directions specified in any Act of Parliament ?—It was in conformity, first, with the usage according to which the returns had formerly been given, and it was then in conformity with the Exchequer Act, for by this unauthorised change I was deprived of the means of making to Parliament the returns which by law I was compelled to do ; therefore upon the statement of that fact, the Bank, acting as on other occasions I have found them ready to do with ready acquiescence, both with law and the public interests, adopted the course which has been invariably practised since.

3198. Would your Lordship consider it a part of your duty to direct the mode of keeping the Bank accounts without any communication with the Treasury ?—I felt it naturally to be my duty, and I feel it still, that if the Bank of England were to make any alteration in the mode in which they return me my accounts, which would prevent me complying with the law, from an earnest belief that the Bank of England would not take any course that would prevent the law from being executed, I should feel certain that the Bank, as on that occasion, the instant their attention was called to the fact, would revert to the former practice.

3199. My question was, whether your Lordship considers that it is a part of the duty of the Exchequer to direct the mode, or would your Lordship not communicate with the Treasury previously to any communication with the Bank, as to the mode of keeping the Bank of England accounts ?—I should certainly have done so, if I suggested any novel change to be made. Here it was the Bank of England that made the change ; therefore I felt, and still feel, that I was quite warranted in what I did. That correspondence was laid by me before the Treasury, and they have never suggested, nor the Bank of England either, that I exceeded my powers.

3200. Sir *James Graham*.] The Exchequer Commission, over which Sir Henry Parnell presided, and which was composed of the persons whom you have already specified, in 1831, recommended, as a constitutional check upon the issue of Exchequer bills, lest the amount should exceed that authorised by Parliament, that every bill should be countersigned at the Exchequer before it obtained a legal currency ?—Just so.

3201. But at the same time, did not that Commission recommend that the Exchequer bills, before counter-signature, should be prepared at the Treasury, and not at the Exchequer ?—They did, as I have already stated.

3202. Did they not define the principle involved in their recommendation, which is laid down in these words, "That the business of preparing and issuing Exchequer bills should be separated from that of paying them" ?—They did, and the business of preparing and issuing Exchequer bills is separated from that of paying them ; the two things are not combined, and it would be very wrong if they were.

3203. Still the recommendation was, that the preparation should be at the Treasury, and not at the Exchequer ?—Yes, but with the counter-signature of the Exchequer.

3204. Then the recommendation of that commission, resting upon that authority, would be fully satisfied if the preparation were at the Treasury, so long as there was a counter-signature before the issue ?—Yes, it would be identical with it ; but I have said that it would be much more troublesome and complicated to employ two departments in place of one. It would also produce a derangement of the Treasury department if they were once to undertake it.

3205. If the Treasury authorities concurred with Sir Henry Parnell, and those who recommended the preparation at the Treasury, and who differed from your Lordship, the principle would be saved by the counter-signature of the authorised officer, whoever he might be ?—The Treasury authorities, at the time of this Report, did not agree in the Report, for they understood the Treasury business to be

inconsistent

inconsistent with that recommendation. The principle of control would, however, be saved by the counter-signature.

3206. If longer experience should lead the Treasury now to revert to the opinion entertained by Sir Henry Parnell, by Sir Francis Baring, and by myself at that time, there would be in principle no violation, either of the Report or of the practice for which the argument is here urged that the preparation should be separate from the counter-signature?—Clearly, if we are to carry into effect that Report, that practice would be strictly conformable with the Report itself; it was from differing from that Report, at the time that the Bill was introduced, that those clauses were not adopted in the Bill. The Commissioners do not appear to have taken evidence respecting the mode of preparing Exchequer bills, which was afterwards examined and reported on by a Royal Commission, and by Sir R. Peel and Mr. Goulburn's Board of Treasury, by neither of whom was a transfer of this kind recommended.

3207. If the Executive now should recommend reverting to the announcement, which was originally recommended by the Commission of 1831, there would be no violation of principle?—No, certainly; it would be a very great relief to me, individually; the greatest relief that could be given to me, if the whole duty were transferred to the Treasury. But a counter-signature at the Exchequer was recommended, by which the principle of control would be maintained: I think the change would be inexpedient.

3208. With respect to the deficiency bills, your Lordship has cognizance of the amount of the quarterly deficiency from the return that is made to you, have you not?—I had in former times cognizance of it from the actual state of the balance of the quarterly accounts, ascertained and settled by officers of the Exchequer and the Treasury, and certified to the Treasury by myself. At present I am deprived of the means of cognizance; I know nothing about it at all, except by the mere *arbitrium* of the Treasury, who communicate the fact to me, and accordingly I have been compelled to withhold my certificate.

3209. Does your Lordship often sign deficiency bills without any knowledge of the state of the balances?—I have struggled to retain that knowledge, according to the old practice of the Exchequer, but that knowledge has been withheld from me by the Treasury, except by an unchecked communication made on their own authority.

3210. Still the fact remains, that your Lordship does countersign deficiency bills without a knowledge of the state of the balances, and that in conformity with the existing law?—That is in conformity with the existing practice, but whether the mode of issuing deficiency bills to the Bank is in conformity with the existing law is a matter upon which there has been a great deal of difference of legal opinion. The Bank counsel say that the present practice is contrary to law, and the counsel of the Crown say that the present practice is in conformity with the law; I do not pretend to say which of the two is right. Under the old system I knew the exact amount on the quarter-day by an exact comparison of balances. This, the change made by the Treasury in 1854 (*see* Paper No. 17) has deprived me of the means of doing, according to the former unvaried usage of both departments.

3211. Not knowing the exact amount under the existing system, your Lordship from time to time, quarterly, signs the deficiency bills, without which signature a deficiency bill would not be operative?—Yes; but there is a great distinction between signing bills for 50,000 *l.* each, payable exclusively to the Bank of England, or order, and passing only by endorsement of the Bank, which never occurs, and issuing bills payable to bearer and which pass by delivery from hand to hand; that distinction is a very important matter. I object to the system latterly pursued.

3212. Your Lordship states that the British Parliament, and the British public, would not tolerate for a moment the power of creating debt on the part of the Executive Government without some control?—Yes; I consider that to be true on a constitutional principle.

3213. Are there not such things as Ways and Means bills?—There are, but those cannot be issued without control; they are made out and signed by me; the Treasury cannot issue them of their own authority.

3214. How stands that matter; is not your Lordship, by Act of Parliament, bound, on the requisition of the Treasury, to issue Ways and Means bills without limit?—I am bound by the provisions of the Act of Parliament; not without limit.

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limit. I do not think so. Consolidated Fund bills are, in fact, only deficiency bills charged upon the quarter next ensuing.

3215. But they create debt?—Yes, but only a temporary one.

3216. What are your Lordship's means of judging as to the quantum you are directed to issue of Ways and Means bills by the Treasury?—By the time that the Consolidated Fund bills are called for, I have before me the issuing warrants showing what the charge upon the Consolidated Fund would be; the Consolidated Fund warrant, formerly put forth at the commencement of the quarter, is no longer furnished to me, but is withheld; but the issuing warrants come in the course of the current quarter. I therefore am able to see what balance stands upon the Consolidated Fund account when those bills are called for, and I can see whether those bills are called for according to the general usage.

3217. Are your Lordship's duties, with respect to those bills, ministerial under the Act of Parliament, or are they discretionary; have you the power of refusing to sign?—I consider, with respect to the power of signing, that in all cases, if I am called upon to do anything which involves the question of the legality of the act done, I have the power vested in me to refuse to do that illegal act, and I have done it with respect to Exchequer bills; when the Exchequer bonds were sent, they were sent with a form of scrip, which I objected to. If that form had been persevered in, I would not have signed the bonds.

3218. Has your Lordship ever refused to sign Consolidated Fund bills?—I am quite sure I never have; such a case never could arise. A Government having a full Exchequer never would dream of issuing Consolidated Fund bills. I do not believe that any I was ever asked to sign would have admitted of a doubt.

3219. What are your Lordship's means of judging whether the order to sign be proper or not?—If I had before me, for instance, at the close of the quarter a full balance on the Consolidated Fund account upon which the Treasury could draw, and had thus the means of drawing and satisfying the public service without bills, and I was asked under those circumstances to sign and issue Consolidated Fund bills, I should hesitate in doing so.

3220. Has there ever been a call upon your Lordship, under the circumstances which you have suggested as possible, to sign Consolidated Fund bills?—No, I never had a case in which I felt the slightest doubt, nor do I think any such could arise.

3221. Then the case is, when there has not been a balance, but the object is to create debt by the issue of those Consolidated Fund bills at the instance of the Executive, your Lordship's duty has been ministerial?—That resolves itself into a power of borrowing from the Bank under the provisions of the Act of Parliament, and not creating securities which are to go into the market, the excess of which might affect the interests of third parties. These bills constitute charges on the revenue of the next ensuing.

3222. Is your Lordship not cognisant of transactions in which those Ways and Means bills, combined with the power of operating upon the savings banks money, has created a funded debt by the Executive unchecked by the Comptroller of the Exchequer?—I have never known Consolidated Fund bills applied for any such purpose. I have never heard it even suggested for a moment.

3223. Taken in combination with the power of operating upon the savings banks money?—No, that has never been dreamed of by any finance minister.

3224. You do not know of debt being so created?—The two last answers are given erroneously if applied to Consolidated Fund bills; they are true as applicable to deficiency bills, but Consolidated Fund bills have been taken up by the savings banks.

3225. And debt created. Three per cents., which you thought it impossible to create, have been created in that manner?—A funded debt has been created by exchanging the bills which were held by the Commissioners of Savings Banks for Consols. I think that is a most objectionable practice, though legal, where the bills have been purchased by the sale of Savings Bank stock.

3226. That is since you have been Comptroller of the Exchequer?—Yes, it is since I resigned the office of Chancellor of the Exchequer.

3227. And unchecked by your Lordship?—I do not consider it contrary to law, nor has the transaction any possible connexion with the Exchequer.

3228. Therefore the law, as it now stands, does give to the Executive, subject to your Lordship's control, a power of creating Three per cent. debt?—Yes; by the commutation of bills into stock. That has been objected to by me as a Member of Parliament, where produced by the previous sale of stock; I had no

connexion

connexion with the transaction as Comptroller-general; it never came before me in any way, nor was it under my control.

3229. Still the law permits it?—Certainly.

3230. Would not your Lordship somewhat qualify your position, that the country and Parliament would not endure the power of the Executive to create a Three per cent. funded debt?—No; the cases you have referred to are cases which I think are objectionable in their consequence, but they are exceptional cases; the one operation is a commutation of one debt for another; the case originally put related to an unchecked power of creating funded debt. If Parliament were to give to the Treasury an uncontrolled power (which was the question put to me), of making Exchequer bills payable on demand or payable at the end of a year, assignable from hand to hand, I do not think that would be a constitutional principle, but open to great complaints.

3231. *Chairman.*] Do you remember the transaction by which the Consolidated Fund bills were taken up by the savings banks and afterwards funded?—Yes.

3232. Do you recollect also that that course was very much objected to in Parliament?—Very much indeed, in both Houses, if I remember right.

3233. You yourself entertained great objections to it?—Yes; I have argued the matter from year to year.

3234. You think probably that that is a power which ought to be kept in check?—I am satisfied that it is a very dangerous power; but I have known cases where the interest of the public debt was reduced, and in which the power was most usefully applied.

3235. Mr. *Wilson.*] The objection has been taken to the practice of creating a funded debt out of the Consolidated Fund bills; no objection has ever been taken, in Parliament or out of it, to the Treasury issuing Ways and Means bills or Consolidated Fund bills, and redeeming them out of the revenue of the following quarter?—No, I never heard an objection taken to that course when it unfortunately became necessary; a full Exchequer seems to me very obviously a better state of things.

3236. And the power of the Treasury to issue such bills, in point of fact, rests entirely upon the responsibility of the Treasury?—Quite so. I think it is there it should rest; it is to meet the case of exigencies.

3237. Mr. *Chancellor of the Exchequer.*] Did you not say that it was not in the power of the Government to create a funded debt without the authority of the Comptroller of the Exchequer?—No, I did not. I never dreamt of such a thing. I have stated how it can be done by commuting bills for stock without any privity with the Exchequer. My argument was only that I did not think Parliament would like to give unlimited power to the Treasury to create Three per cents.; it never has done so.

3238. In the Loan Acts which regulate the creation of funded debt, is there any interposition of any authority between the Treasury and the Bank?—No; the act of the Chancellor of the Exchequer in contracting for a loan is a pure fiduciary proposition. The Chancellor of the Exchequer goes into the market and makes a bargain; he has no power of executing it; but he goes to the House of Commons and asks for a confirmation of his bargain upon the common principle of good faith and confidence in the Government. If the House of Commons are not prepared to impeach the Chancellor of the Exchequer, they are bound to carry into effect his agreement for the loan.

3239. In the Loan Acts which regulate the manner in which the funded debt is created, is it the practice to interpose the control of the Exchequer?—Certainly not; but there Parliamentary control is applied conclusively by resolution and statute, and the Parliamentary approval of the loan is embodied in the Bill. Where bills are included in loan proceedings, the Exchequer is solely entrusted with the authority of making out the bills, and thus keeping within the Parliamentary limits and conditions. My objection was against entrusting with this power uncontrolled.

3240. Mr. *Hankey.*] Did your Lordship state that there was power in the Bank to create stock, on the application of the Chancellor of the Exchequer, after he has made a loan (the trust being committed to him), before the Act of Parliament had sanctioned it?—The Chancellor of the Exchequer makes a bargain, and he brings it down in the shape of Resolutions, and the House affirms the Resolutions, and a Bill is ordered to be carried, to give effect to those Resolutions, and the transaction of the loan is complete when the Bill becomes law.

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3241. Is your Lordship not aware that the Bank cannot complete any one of those transactions until the Act of Parliament which sanctions it has received the Queen's signature?—I made no mention of the Bank; the Bank is precluded from having any pecuniary transactions contrary to the statute of William. Therefore every Loan and Ways and Means Act contains a clause exempting the Bank from the obligations of the statute of William so far as the Act in progress is concerned; without this exemption the Bank cannot move.

3242. Mr. *Bowyer*.] Your Lordship has mentioned instances in which the Treasury, subject to the control of the Exchequer, may create Three per cents.; I wish to know what the nature of that control is; whether it is merely a control with the exercise of the ministerial function, or whether any discretion is exercised by the Exchequer in that matter?—There is no control of the Exchequer by law applicable in such a case at all. What I described was a proceeding by the Chancellor of the Exchequer, who chooses to order the Commissioners of Savings Banks to sell out 2,000,000 *l.* of stock, and buy Exchequer bills, or take them from him. He can afterwards, under the law as it stands, fund those Exchequer bills without any check or control on the part of the Exchequer. That is a principle which exists, and one to which I greatly object.

3243. Does not that practically enable the Treasury to obtain money without going to the Exchequer for it?—The proceeding is this, it relieves the Exchequer bill market by the substitution of the funded debt for unfunded debt, but it does not enable the Government to retain the command of money.

3244. Then what is the nature of your Lordship's objection?—My objection is that it is a mode of adding to the funded debt of the country without the knowledge or approval of Parliament.

3245. It is in point of fact funding the unfunded febt?—It is a transmutation of the unfunded debt into funded debt, without the direct sanction of Parliament. There is the power to do it, but it is done without Parliament being aware of it till after the event.

3246. Mr. *Chancellor of the Exchequer*.] Is there not a difference between the funding of the common Supply Exchequer bills, for the issue of which the authority of Parliament has been obtained, and the funding of the Consolidated Fund bills, which are issued without the authority of Parliament, merely upon the discretion of the Treasury?—I think that the difference is very great. The Consolidated Fund bills are not exchangeable, but the Supply bills are exchangeable. By a very true distinction drawn in reasoning by Mr. Gladstone, he observed that Supply bills exchanged habitually year by year nearly assume the character of a permanent security, and consequently the transmutation of an ordinary Supply Exchequer bill into Three per cents. is not so violent an act as transmuting a short security, which at the most has only three months to run, into a permanent security. I think that the one is much more objectionable than the other.

3247. *Chairman*.] The one is the practical creation of a new debt, and the other is the transfer of the unfunded to the funded debt?—Yes, precisely.

3248. Mr. *Chancellor of the Exchequer*.] The Consolidated Fund bills are issued to an unlimited extent, under an indefinite power confided to the Treasury for anticipating the revenue of the succeeding quarter?—Yes; but that very condition fixes a limit to the transaction.

3249. With regard to the common Supply Exchequer bills, they are practically the creation of a permanent, though unfunded debt?—I can hardly call it a permanent debt; the Government have the power of paying it off at the end of the year, and the holders have the power of requiring money for them; but usage has so far given them the character of a permanent debt, as to distinguish the case strongly between the Supply bills and the Consolidated Fund bills; they are different securities, and the funding of the one may be excusable, whilst the same operation in respect to the others is most objectionable.

3250. *Chairman*.] There is an objection, is there not, to transfer the unfunded to funded debt, because it brings the Government into the market as jobbing in stocks?—I think that is a very serious objection, when one considers the amount of capital placed at the command of the Government, namely, the full extent of the whole funded capital that now stands to the credit of the savings banks, and I think it a very dangerous system to give the Government of bringing such a money power to bear on the stock market.

3251. Mr. *Bowyer*.] When your Lordship stated that the country would not approve of the Treasury having the power of making Three per cents, you meant,

meant, did you not, that the country would not approve of the Treasury having the power of making Three per cents., not by the transmutation of another security, but in such a manner as to obtain money; in point of fact, to obtain a loan without the control of the Exchequer and of Parliament?—Clearly so; the objection I raised was, that such operation should be performed by Government without the control of Parliament. When I had to borrow for the slave loan, I took powers, and I borrowed 15,000,000 *l.* at first, and afterwards 5,000,000 *l.*, if I recollect rightly; and in one of those operations I had the power of creating stock, if I rightly remember, as Mr. Goulburn afterwards had, under a Bill, at the commencement of his Government; but I think Parliament only gave it in both cases under very special limitations; and in each of those cases Parliament seems to have been apprehensive of the possible consequences of their own act.

3252. In point of fact, if what your Lordship objects to were allowed, the Government, instead of going to the Exchequer for money, and taking that money according to the Exchequer Act, would be able to borrow money by making Three per cents., subject to no control at all?—There is the power of creating Three per cents. in the way that I have described; but I was not describing an existing power, but showing what appeared to me a conclusive objection to permitting Government uncontrolled to raise money, either by the issue of Exchequer bills or the creation of stock.

3253. I understand that power to be strictly limited, so as not to be liable to the objection which you have suggested?—I think it is open to very serious objections; but at the present time I think all those operations with savings banks money, such as buying bills, and funding those bills, are open to very serious objections.

3254. Your Lordship thinks that it gives the Government the disposal of money in a manner not contemplated by Parliament when Parliament constituted the Exchequer control?—There was no connexion between those operations and the Exchequer at all; the two operations are perfectly and entirely distinct. I object to the power it would give the Government of interfering in the stock market without the direct sanction of law.

3255. What I mean is, that your Lordship objects that those practices give the Government the means of obtaining the disposal of money, which disposal of money was not contemplated by the Act which constituted the Exchequer?—I object to it on grounds which are separate and apart from any Exchequer proceedings at all. It is perhaps indiscreet to reason by analogy upon the subject the Committee have before them, namely, the question of allowing the Government, without control, the power of issuing Exchequer bills, (which I stated would not, in my opinion, be wise, expedient, or constitutional); my analogy was not exactly from a power granted to the Crown—a power which, in reply to subsequent questions, I have described as existing—but deduced from a power which does not exist, that the Crown should of its own discretion have the power of creating Three per cent. stock. I do not think that that is a power that should be given to the Crown, and I do not think that the power of issuing Exchequer bills without control ought to be given to the Crown either.

3256. That power would enable the Government to give the go-by to the Exchequer?—Clearly, if it existed, and to give the go-by to Parliament likewise.

3257. The power which now exists of creating Three per cents., your Lordship thinks, is liable to objection, though not liable to the same objection which would exist to the uncontrolled power of making Three per cents.?—It is liable to very considerable objections; I have heard them stated, and feeling their force, I have more than once urged them myself.

3258. Does your Lordship object to that power which exists now, of creating Three per cents., on the ground that it is liable to abuse, or on the ground that it gives the Government the unconstitutional disposal of money?—I think it is liable to many abuses, of which the worst would be, that I think that it would give the Government unconstitutional possession, and power in disposing of public money or public securities.

3259. Mr. *Chancellor of the Exchequer.*] At present, with the exception of the Ways and Means bills and the Consolidated Fund bills, it is not in the power of the Government to create either funded or unfunded debt without the consent of Parliament?—No; those securities, it must be remembered, rest on specific Acts, regulating the mode and circumstances of their issue. Both classes of securities, as well as the deficiency bills, must be made out and signed at the Exchequer. The funding of these bills is the exchange of one security for another.

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3260. If the Government gets the power of raising money by perpetual annuities in the ordinary mode of creating Consols, a Loan Act passes, and that stock is created without any interference of the Comptroller of the Exchequer, is it not?—Certainly; but the whole is regulated by statute.

3261. It is created by the authority of the Treasury at the Bank under the provisions of the Act, and there is no interference of the Exchequer?—There is an interference which is not very active, or not, in my judgment, intended for anything but for purposes of record. The Bank are bound to furnish me at the Exchequer, at the close of every loan which they transact by the Act, with all the particulars of that loan, the parties who have subscribed, and the amount that they have paid; that remains recorded at the Exchequer, but it is not for the purpose of inviting any kind of control on my part. The record of the transaction rests with me.

3262. If the Government obtain by Act of Parliament the power of creating stock to the extent of 5,000,000 *l.*, and they attempt to create it to the extent of 6,000,000 *l.*, there would be no interference on the part of the Exchequer to prevent that, would there?—No, because it would be checked at once; it could not be done; the Bank and the market would know it instantly.

3263. The control of the Exchequer would not prevent that excess, would it?—There is no control of the Exchequer applicable to that, nor is it required.

3264. With regard to common Supply Exchequer bills, none of those can be issued without the signature of the Comptroller of the Exchequer?—None; it is not the signature only, but the whole preparation of the instrument is with the Comptroller. The same observation applies to all classes of Bills, Deficiency, Consolidated Fund, Ways and Means, or Supply.

3265. With regard to the creation of those two classes of debt, namely, the funded debt, and that portion of the unfunded debt which consists of common Supply Exchequer bills, they stand, do they not, on a totally different footing with respect to the Exchequer control?—Certainly, they do. The Exchequer has no duty in relation to funded debt, except issuing for the dividends and for the sinking fund.

3266. Mr. *Bowyer*.] Does your Lordship think that the issue of Consolidated Fund bills ought to be subjected to the same control as the issue of Exchequer bills?—No, I do not, because I think that, although I have already said a case might occur, an hypothetical case, for it is purely hypothetical, it can never practically arise with an abundant Exchequer, and therefore no want of Consolidated Fund bills would be felt. As to the ordinary issues which take place under different circumstances, I think that is a matter for the Government itself to determine; and it contains a check within itself, for those bills are payable upon the next quarter, and if the Government abuse their power of issuing such Consolidated Fund bills, they themselves, if they remain in office, would be the sufferers by their own mistake or misconduct in the next quarter.

3267. In point of fact, the proceeding checks itself, because a day of reckoning must be near?—Yes; within three months.

3268. Do the same observations which your Lordship has made apply to Ways and Means bills and to Deficiency bills?—To Deficiency bills they do. They apply strictly to all bills chargeable upon the immediate quarter or the quarter next ensuing. The Consolidated Fund bills would be chargeable upon the quarter next ensuing; the check would be still more immediate as to deficiency bills.

3269. With respect to Ways and Means bills, how would that be?—By Ways and Means bills, I understand bills of the character of ordinary supply bills, exchange bills; but they are applied, not for the purposes of exchange, but for the purposes of raising money for the current service, and with respect to them the Comptroller of the Exchequer has the full control on their issue; for the Act of Parliament authorising them puts a limit upon their issue, and the Comptroller-general must attend to that limit, and see that it is not exceeded.

3270. Are the proceeds raised by either of those three sorts of bills, Consolidated Fund bills, Ways and Means bills, and Deficiency bills, paid in to the Exchequer?—In most cases these bills have been taken by the Bank, and their produce paid into the Exchequer. This is the better course. In other cases the direction has been to issue Ways and Means bills to the Accountant to sell them in the public market, and to apply the proceeds through the Pay department to the public service; both courses have been taken, but I consider the course of selling through the Bank, and putting the money into the Exchequer, and drawing upon that money for the public service, to be the most convenient

convenient and most constitutional. I have in a former part of this evidence explained the inconvenience of any other course in relation to the premium and discount of bills.

3271. In point of fact, the sale of those securities is equivalent to the issue of public money?—It resolves itself ultimately into that; in the one case what is equivalent to money, namely, bills, are given to the Paymaster to satisfy certain services; in the other case it is an issue of money's worth, to be paid into the Exchequer, and issued as ways and means.

3272. As it is in point of principle and fact an issue of public money, your Lordship thinks that the produce of those securities sold in the market ought to go into the Exchequer, and then be issued to meet the supply?—Yes, I think that is the just and legitimate way; it is in conformity with the last Act of the last Session, or the Act taking the power of issuing six millions of bills and bonds, in which Parliament decided that the produce should be paid into the Exchequer, and issued out of the Exchequer for the public service. I think that is the right mode of proceeding, and it is the latest precedent.

3273. In the cases in which your Lordship says that the Treasury gets a supply of money by creating a debt, does your Lordship think that that money ought to go into the Exchequer?—I think it ought; because that remedies all the difficulties which have been so much adverted to, as to the difference of premiums on discount; and the exact money required by the vote is then issued, neither more nor less. It keeps the accounts much clearer, and it avoids any kind of confusion. I think that the sale of bills through the Bank of England, in the open market, is the better way, rather than passing them to the credit of any particular accountant.

3274. That would make the security as complete, as to that species of supply, as it is with regard to the money paid by the revenue departments into the Exchequer?—It would resolve itself into the same principle; money would be lodged at the Exchequer, and issues made under the same principle.

3275. Mr. *Williams.*] Does your Lordship remember the Act under the authority of which the unfunded debt can be converted into funded debt?—Yes, it is a Saving Banks Act, 9 Geo. 4, c. 92, s. 50.

3276. Does that Act give any authority to any other person, for instance, to the Commissioners of the National Debt, to convert the unfunded debt into funded debt?—I do not wish to speak to the contents of an Act of Parliament, without referring to it.

3277. Are the Committee to understand that it is your Lordship's opinion that that Act ought to be repealed, and that such power ought to be withdrawn?—I think that Act, as it now stands, is open to very great objection; but I have sometimes thought, looking at the Act itself, that it was drawn up in a way that hardly limits the action under it within the intention of its framers; it gives power of dealing with Exchequer bills generally, and I could not help thinking that the intention must have been, that it was only to do with Supply Exchequer bills.

3278. I understood your Lordship's opinion to be, that power should not be vested in any authority but that of Parliament to convert unfunded debt into funded debt?—I am not quite prepared to go that length. I can understand, more especially in the case to which I have adverted, that if the Government are engaged in a large operation for reducing the interest of any class of public securities, in carrying that into effect they may not be able to anticipate how much of those securities may come in for money, and events of that description; such events have occurred, as in the case of Lord Spencer, when he made use of powers of this description in order to carry out a very excellent scheme for reducing the interest of the public debt, which he could have hardly carried into effect without the use of this power, but it ought to be exercised with great limitation, and used with great reserve. Above all, it should be frankly made known to Parliament, and a Parliamentary approval be obtained. I think you ought to exclude altogether any bills from its operation, except the ordinary supply bills; to buy Consolidated Fund bills or deficiency bills for the purpose of funding being objectionable. I think the Act ought to be amended in that particular; nor do I think that the Sinking Fund should be employed on these latter securities.

3279. In case of the reduction of debt, is there any difficulty in obtaining the sanction of Parliament to provide for the amount of the deficiencies?—Operations of this description may be carried on under circumstances in which it might be

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be inconvenient to seek for a previous Parliamentary sanction. These powers are, however, riskful and anomalous; we got on without such a power for a long time, through very troublous times, and that leads somewhat to the inference that we could get on without it now; an amendment, I think, is absolutely necessary to put an end to the power of dealing with Consolidated Fund bills on those short securities; I think that practice is quite clearly wrong, or sale of stock for purchase of bills.

3280. Your Lordship has stated that in some instances it may be inconvenient; does not your Lordship think the establishment of a principle to secure public money is of far more importance than occasional inconvenience?—Yes, that is true; but I think it may be at the sacrifice of public money in those instances I have referred to. I do not see that there would be so much danger of abuse with certain safeguards. However, the matter is one of opinion, upon which the opinion of the Committee is worth more than mine. If the power is retained at all, it should be defined and limited.

3281. Mr. *Chancellor of the Exchequer.*] Are the Committee to understand you to say, that you think it clear that the Comptroller of Savings Banks should in no case have the power of converting Exchequer bills in his hands, generally Supply Exchequer bills, into funded debt, under the responsibility of Government?—I have very great doubt upon that subject, as I have already said; I have no objection whatever, if the practice is limited to allowing the Comptroller of Savings Banks, or the Chancellor of the Exchequer, to invest monies that come in to him for deposits, or the interest he receives from stock, in any security he thinks fit; and even I should see no insurmountable objection to giving him, so far as that portion of his receipts is concerned, a power of conversion; but what I do object to in the strongest manner is, the danger, if not the fatal consequences of giving him the unlimited power of selling out savings bank stock for the purpose of buying Exchequer bills, and then converting those Exchequer bills again into stock. I think that may enable the Chancellor of the Exchequer to act upon the stock market in a way that he ought not to be permitted to do.

3282. Suppose the Comptroller of Savings Banks should be a holder of Exchequer bills originally issued to him by the Government, do you think it would be objectionable that he should, in certain cases, with the consent of the Government, have the power of converting those unfunded securities into funded securities?—If he is the holder of those securities by the investment of the interest payable to him, or of the deposits, then I think such a power may be conceded; but if he has become the holder of those securities by the sale of stock, I object greatly to his funding those bills so acquired by sale of stock.

3283. *Chairman.*] Though there exists an objection to that practice, are there not cases in which it has been usefully employed for the public service, in cases where a reduction of interest has taken place in stock; in Lord Althorp's time was not it by means of sales of savings banks stock that he was put in funds to take up the dissentients?—I stated that as an exceptional case, which justified Lord Spencer's proceedings; I think that was defensible as an exceptional case.

3284. Mr. *Bowyer.*] Mr. Anderson and Mr. Hoffay have stated to the Committee that the control exercised by the Exchequer causes a delay of public business, and multiplication of accounts, and they therefore suggested that the Exchequer should be abolished; what is your Lordship's opinion upon that subject?—I think I have stated that, if you weigh on the one hand the possibility of the saving to be made by suppressing the multiplication or the duplication of accounts, as one advantage tending to economy and simplicity, and on the other the advantage derived from obtaining the Parliamentary security such as it is, and the adherence to the principle of appropriation, there can be no hesitation in saying that the greater principle is the Parliamentary appropriation, and the lesser principle is the doubtful economy (for that I consider it), that would be attained by a somewhat greater simplicity of the accounts.

3285. Does not your Lordship think that all checks and controls must necessarily to some extent create delay and perhaps trouble?—No doubt; all our constitutional system is a system of check and control which creates delay and trouble, but that is cheerfully endured in consideration of the balance of advantage derived from that system.

3286. In fact, the country would be governed with much less trouble without Parliament?—It would be, I believe, much more easily governed, in the judgment of some persons, if we had a Governor in Council, who by a Minute of Council could direct all things at his pleasure.

3287. Those

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3287. Those gentlemen have also stated to the Committee, that the Exchequer prevents the Paymaster from adopting the best system of accounts; what is your Lordship's opinion?—The answer to which my attention has been called bears that interpretation; but that does not seem to me the real meaning of the answer, which I believe to be this: Mr. Anderson states, that inasmuch as the Exchequer accounts deal with all credits and transfers as if they were actual payments, and the Paymaster's accounts deals with specific payments, there is an inconsistency between the one and the other; and that the public accounts, which now by law are kept according to the receipts and issues of the Exchequer, clash with the accounts which are kept according to the actual payments. It is that to which I think he adverts, and not to any imperfection in our books. I am assured that a perfect system of double entry prevails at the Exchequer. It is not consequently the Exchequer accounts which stand in the way of improving the Treasury accounts, but it is that the two accounts, the Paymaster's account and the Exchequer account, are by law made upon different principles. Mr. Anderson seems to wish to see them reconciled. It is thus I understand Mr. Anderson; but I may be in error.

3288. You state, do you not, that the true meaning of what Mr. Anderson said was, that there is a sort of inconsistency or disagreement between the accounts of the Exchequer and the accounts of the Paymaster?—I so understand his complaint; but I do not myself see how it would be possible for the Exchequer accounts to be kept in any other way than they are. Every transfer and every credit is, in point of fact, a payment, so far as the Exchequer account is concerned. For if any gentleman round this table pays an account, by giving to a person to whom he is indebted a credit upon his banker (he losing all power over that credit himself), which his creditor can go and take up at pleasure, that credit so issued upon that bank amounts practically to a payment.

3289. Your Lordship, then, is of opinion that the system which you have described at the Exchequer does not prevent the Paymaster, in his own accounts, adopting the best possible system of account?—I should say not. He becomes chargeable with the credit that I give him, and then he puts to the other side of the account the payments which he makes to individuals. Practically speaking, I see no difference whether I give the Paymaster a bill of 1,000*l.* from the Exchequer, or place 1,000 *l.* to his credit, and enable him to pay it into his drawing account. I see no difference, practically, between the one and the other. I lose all power over the transfer or credit given to the Paymaster; he and he alone can draw on it. It becomes his, and ceases to be mine.

3290. So that, in fact, he has an Exchequer credit to work upon, but the peculiarity of that Exchequer credit does not prevent his keeping his own accounts on the best system on which accounts could be kept?—I should think not; but I know very little of the interior economy of the Paymaster's office.

3291. With your experience, your Lordship sees no reason why his accounts should not be kept in the best manner?—I see none whatever. But I would not rely on my own judgment confidently. If I give my steward managing my estate a credit for 1,000 *l.* to draw against, or I give him 1,000 *l.* paid in to himself, his account ought to be kept on the same principle, as it appears to me.

3292. In fact, the account of the Paymaster is an account of payments made by him, and those payments so made by him he may keep an account of in any manner that is thought proper, without reference to the mode in which he received the money from the Exchequer?—Yes, subject to the directions in force and the orders of the Treasury; but I may add, that in the evidence of Mr. Anderson, and which appears in terms to describe the system of the Exchequer, the objections that he raises are all objections raised to the Treasury system of accounts; and it comes to me with great astonishment that such a description should apply to accounts which were carried on by Mr. Brooksbank, who was, I believe, one of the ablest and most trustworthy public servants that could be found in any country. I was astonished in reading that there was no journal, no ledger, no cash-book; in fact there was nothing which account-keeping requires. I could not have believed that possible.

3293. Does your Lordship see any reason why an account which consists of payments by giving credit, should not be kept in the same way as an account consisting of payments by cash?—There is no difference whatever, so far as I can judge.

3294. Your Lordship sees no ground for Mr. Anderson's opinion upon that point?—I do not see upon what it rests.

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3295. Mr. *Williams*.] Is it not your Lordship's opinion, with regard to the difference in the making up of the accounts of the Paymaster and the Exchequer, that it arises in this way: that the Treasury sends an order to the Exchequer to pay a certain sum to the Paymaster for specific purposes, and that the Paymaster is not afterwards called upon immediately for the money which he has received?—No; but he has it entirely in his own control. It stands as a credit to his own account, and he can operate upon it; I cannot.

3296. But he may not be called upon for payment immediately after the credit is given?—No.

3297. Mr. *Chancellor of the Exchequer*.] You referred just now to an example of what a person would do in respect to the management of his private affairs; let me put a case in order to illustrate your plan of conducting the Pay Office. Suppose a person instead of keeping a balance at his banker's, upon which he draws for the payment of all his tradesmen's accounts, requested his banker to manage his affairs in the following manner; that he should raise a credit for his butcher, another credit for his baker, another credit for his tailor, and so on for his different tradesmen; that he should keep a balance upon each account; that he should pay each tradesman by drawing upon his special credit; and should require his banker to furnish him with a separate account for each one of those tradesmen: is that a parallel case to what you recommend to be done with the public money in the Pay-office?—I have not recommended anything with respect to the Pay-office, I have only answered questions put to me with respect to the parallelism of the transactions; I do not think that that is shown to exist. If I was to place 100 *l.* at Drummond's and tell them, There is the sum of 100 *l.* to pay A. B., the butcher, and 200 *l.* to pay C. D., the wine-merchant, if I put those out of my own control, and I can no longer touch them, but the butcher or the wine-merchant may; I should consider those orders as payments to those parties, only giving them the means of getting it from the bank in place of getting it in specie from me; but a payment it would be, and nothing else. I should consider that I had parted with money, so far as my own banking account went, when I transferred it to another account upon which I could not operate, but the person who was credited could. I should not consider it a balance of mine; it is a payment to others.

3298. If it is admitted that the Paymaster never pays money out of his drawing account for any purpose which is not within the Appropriation Act, and which has not been voted by Parliament, or made a charge upon the Consolidated Fund, do not the two modes of keeping accounts seem to be parallel?—I do not think that they do exactly; if I put money to the account of another person it belongs to him, and not to me. I have no more to say to the balance; it is appropriated to another purpose. If I was to go and say to the banker, I am keeping a great balance with you, because, in addition to my own account, I have 500 *l.* which belongs to the butcher, and 600 *l.* which belongs to the wine merchant, and so on, I think my banker would say, "These are not your balances; these are the balances of the parties to whom you have transferred them, and they are appropriated for such purposes."

3299. Mr. *Bowyer*.] But that seems something of the same sort as giving a standing order to a banker to make a particular payment at a particular time of the year?—That is so, *sub modo*; but then that is a case not close in its analogy; because if I direct my banker to pay my subscription at Brookes', or at the Athenæum, I can recall it; but in the case where I have transferred a credit absolutely, and placed it within the power of another, that case is quite distinct; that is a payment, to all intents and purposes, for the benefit of the other party.

3300. Does not your Lordship think that the case of the State is not parallel to that given by the Chancellor of the Exchequer, because in the case of the State it is an arrangement between different departments of the public service for the payment of the public charges, which is a different case from a man having the disposal of his own money, not being appropriated?—Still as relating to me, as Comptroller-general, the money is gone from me, and I have nothing more to say to it; I can only deal with it as a payment. The State, in its corporate capacity, may represent all its accountants. With the permission of the Committee I will hand in a paper showing the delays in payments made to the Exchequer as compared with the more direct mode of payment. (*The same was delivered in.*)

Vide Appendix.

Charles Vine, Esq., called in; and Examined.

3301. *Chairman.*] WHAT office do you hold?—That of Inspector of Naval and Military Accounts under the Commissioners of Audit.

3302. How long have you been in that office?—Since March 1854.

3303. What office did you hold before?—I was book-keeper in the Audit-office.

3304. How long had you been there?—Twenty-one years.

3305. The Committee have heard a good deal about the Appropriation Account; will you explain to what extent the officer who checks the account, take the Navy, for instance, carries out his duties: what does he consider that he has the power of doing?—He sees every voucher upon which an entry in the books is made; he sees that that voucher bears upon its face evidence of examination and allowance by the proper authorities, and that the regulations of the department are complied with before it can pass into an order for payment; he sees that that voucher is marked with the proper head of service, and the vote to which it is chargeable; he sees that the voucher is in every respect sufficient to warrant its being carried to the account as a final payment on account of the vote; that it is not imprest, or an advance for which a future account is to be rendered; and as the grants are for sums which shall come in course of payment during the year, he sees that no final payment made within the year is excluded, and that no final payment in the subsequent year is included in the prior year's account. The original entry for every payment charged against the vote is traced from its commencement through all the books, until it is finally recorded in the annual account laid before Parliament.

3306. What check has he; does he feel it to be a part of his duty at all to consider whether the sum has been properly paid, and whether Government has exercised a proper discretion in ordering the payment?—No, he does not do that.

3307. He is satisfied with the authority, which is a proper authority?—He is.

3308. He would not interfere if the Navy were to order a certain sum to be paid, nor check that payment, but see that it was properly accounted for, and placed under the proper head?—He would do so.

3309. If there was any improper payment, would he report it in any shape to the Audit?—If there was any payment which he did not consider was properly chargeable against the votes, he would bring it in writing before the Commissioners of Audit for their decision.

3310. Take the case of the Ordnance accounts; up to what time is it, from month to month, that the report takes place?—Yes.

3311. We have understood that the Ordnance have been lately engaged in making fireworks for the celebration of the Peace; will you explain to the Committee when that comes before the officer how is it checked; what has he done with regard to that expenditure of the Ordnance?—I presume by far the larger proportion would be included in the wages of persons employed at Woolwich.

3312. Take the case of the wages of parties employed at Woolwich for making fireworks, would he feel it his duty to inquire at all whether they had been employed in making fireworks, or in making shells, or other work necessary for the war?—That would never come before him.

3313. He would in no shape be aware, except from common conversation with the parties, how the money was expended?—It would only appear before him as a payment on account of wages. The particular duty upon which the persons had been employed would not, I think, be stated on the voucher.

3314. Then he would not think it his duty to report to the Audit anything of that kind?—I think not.

3315. There have been other expenses incurred by the Ordnance for materials of different kinds with regard to those fireworks; there was something, was there not, for colouring the fireworks; and the purchases have not been the usual purchases for the war expenditure of the Ordnance. With regard to anything of that kind, would he have any exercise of discretion as to reporting to the Audit that they were purchases for fireworks, and not for war purposes?—I do not

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not think he would have any discretion to question the purchases which the Ordnance had directed to be made.

3316. Even with regard to that expenditure, which we suppose to have taken place for fireworks, the appropriation control would not bring it before the Audit Board?—Not unless the payment is at variance with the Estimates. The Estimate contains a very large item for miscellaneous stores, including laboratory stores, without any definition. I do not think we should bring under the notice of the Board of Audit purchases of stores of a character similar to those usually charged to this head.

3317. Some extra difficulty might arise, but it would not come under the Audit Board?—I think not.

3318. The Audit Board, I take for granted, would have no action unless it was brought before them by their officer?—None.

3319. There has been some confusion, has there not, with regard to works that are done by one department for another department; what is the rule; supposing the Ordnance performs works for the Navy, or the Navy for the Ordnance, will you explain whether that is done on imprest, or is it done first by the department out of their own funds, and then giving in a bill of account of what they have expended?—The work is carried on by the Ordnance, and an account is rendered to the Navy, for instance, of all the expenditure incurred by the Ordnance, and a repayment takes place of the amount; at the end of the year, if there is a balance owing by the department for whom the work has been carried on, it is shown in the balance sheet of the detailed account, which is, I think, invariably laid before Parliament by the Treasury. There is a case in point here, in the account for 1853–54, the last detailed account, in which there are certain sums owing by the Lords of the Admiralty to the Ordnance "for stores supplied for works at Bull Point and for passages of Ordnance officers."

3320. You were in the Committee-room during Mr. Hoffay's examination, were you not?—Yes.

3321. Perhaps you will recollect that he was asked a question with regard to the Treasury Minute, in November 1836, for the regulation of the Paymaster. I was under an impression that, by that Minute, there was an inconvenience found in employing the Ordnance funds for other departments; and therefore it was directed that there should be some other arrangements made, as to the Ordnance funds, different from the arrangements with regard to the Army and Navy funds?—I am not aware that there has been any change with regard to the advances made in anticipation of claims which the Ordnance had to make for works which they were undertaking for the Navy.

3322. I will read Article 76, in which it is stated, "My Lords are sensible that it is for the advantage of the public service that the Board of Ordnance should continue to be employed in executing such services for other departments of Government as can be more economically conducted by that Board; but as every department is understood not to incur expenses which have not been previously provided for by Parliament, there can be no difficulty when any department requires the aid of the Board of Ordnance in executing a service, the expense of which is to be charged against such department, in placing at the disposal of the Board of Ordnance a sufficient sum to defray the cost of the work or supply entrusted to that Board. My Lords desire, therefore, that this arrangement may, as far as practicable, be acted upon in future, as my Lords consider it important that advances out of the grants of Parliament for services not finally chargeable on such grants, should be limited to cases of indispensable necessity, and to which the previous sanction of this Board shall have been obtained." I read it that in cases where the Ordnance was to perform duties for other departments, the other departments were bound, in the words of the Minute, to furnish a sufficient sum to defray the cost of the work entrusted to that Board before it was completed; is that done now?—I am not aware of that; it is not a subject, I think, on which the Audit would have any control whatever, further than to see that the payments made on account of a particular work were charged in the ledger to the account for that service, that no payments made for that service were charged in the account against the votes, and that when the account was made up the balance upon it was accurately and faithfully shown in the balance sheet.

3323. It would not come under the Audit check?—No further than to see that

that every payment was accurately recorded and charged to the proper head in the ledger.

3324. You would not know whether the expense was incurred upon imprests from other departments, or whether it was paid first by the Ordnance, and then repaid by the other departments?—I think that the Audit would exercise no control there.

3325. Probably they would not know?—We should know, certainly.

3326. Do you know whether it is done or not done?—I do not think it is; with regard to the Admiralty, for instance, the whole of the balance on the 31st of March was only 120,000 *l.* on account of works.

3327. Probably it has not been found necessary to carry that regulation out?—I think not.

3328. You were at the Audit-office, were you not, at the time when the Commissariat accounts were audited by the Audit Board?—I was.

3329. You are now at the head of the Appropriation Audit, are you not?—I am.

3330. Do you consider that the Appropriation Audit, now that the accounts are transferred to the Army, is as effective and as good a check as when that audit was at the Audit Board?—I should say so, certainly; the Commissariat being only a fractional part of the army I can see no more reason why the Commissariat accounts should be examined at the Audit-office than the accounts of every naval storekeeper.

3331. The old practice was, that the navy accounts were audited by their own department, by the Accountant-general of the Navy, without any check whatever on the part of the Audit Board?—For the detailed examination; the Audit Board having the check of the Appropriation Audit.

3332. But previously to Sir James Graham's Bill the whole audit was done, was not it, by the department of the Navy itself?—It was.

3333. A check was introduced upon the system which existed, by which the Navy audited the whole of their accounts?—Yes.

3334. In the case of the Commissariat the Commissariat accounts were audited by the Audit-office, were they not?—They were.

3335. Therefore the department has had sent back to it the duty of auditing its own accounts now, with the Appropriation Audit?—Yes.

3336. You still think that it is equally effective?—Yes; I should say so.

3337. Is there, in your opinion, no objection arising from the fact that the Commissariat Chest accounts are audited by the Audit-office?—The Commissariat Chest account (the Treasury chest) now is a banking account, and consists merely of the receipts and payments on account of other services, and raising money; and there is nothing that remains a charge upon that account; therefore that account is purely a banking one.

3338. Take a Commissariat officer on any station, the Cape of Good Hope, for example; he has a certain sum of money, has he not, in his hands?—Yes, he has.

3339. As the banker of the Government?—Yes.

3340. How is it ascertained that he has that sum of money actually in his hands, which he is supposed to have in his hands?—There is a Board of Survey held upon the chest at certain periods.

3341. Now that account goes to the auditors, does it not?—Yes, it does.

3342. He has, besides that, an account of his own, has he not, that goes to the War-office?—No, not at present. The whole of his account at the Cape of Good Hope comes to the Audit-office, and the Audit-office take out the vouchers for the payments and receipts on account of all the different departments at home, and adjust the account with the Commissariat Chest. The whole that remains is the raising of money, and the specie sent from England to the Cape; but other than that, the whole of that service is either money received on account of some department in England, or money paid on account of some department in England. The Audit-office send a statement, for instance, to the Navy of sums paid on their account, and also of sums deposited in the chest on account of the Navy; and a settlement takes place between the Navy and the Audit-office periodically.

3343. Do I understand you rightly that all those accounts go to the Audit-office first?—Yes.

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3344. Do they separate the two accounts?—The Audit-office separate from the account all that is recoverable from the other departments.

3345. Do the Audit-office separate the Chest account from the Commissariat account?—They take that account as a banker's account, and they separate the cheques which each department has drawn upon the Bank, and they claim the amount of those cheques from the department.

3346. It goes through the process of separation at the Audit-office?—It does; the only difference is this, that now with the Commissariat account the actual voucher for the payment is transmitted, but the proposed arrangement is, that each of the accountants of the different departments should draw on the chest for the money he requires, and the final vouchers would be transmitted to the department by the accountant at the station.

3347. At present the whole of the accounts, with all the vouchers, are sent to the Audit-office first, are they not?—Yes.

3348. Are you cognisant of that process of separation?—Yes, quite so.

3349. Is that process any labour at all?—Considerable; the claims on account of the Army for the year 1854-55 amounted to 1,778,000*l.*, and the receipts on account of the Army to 38,000 *l.*; the whole of these had to be recorded in the books at the Audit-office.

3350. What is recorded in the books of the Audit-office?—The whole of the claims upon the different departments, and the adjustments of those claims.

3351. What is done at the Audit-office with that part of the account which is sent to the Army department?—A record is kept of every voucher that goes forward as a claim against the army.

3352. Is the voucher examined at all?—It is examined to see that it is receipted and issued under competent authority; the detailed examination of that voucher rests with the department on whose account the money has been advanced.

3353. A certain part of the examination is gone through at the Audit-office?—To see that the banker has paid upon a sufficient document.

3354. What is left undone?—The detailed examination.

3355. What is that?—Suppose the paymaster of a regiment requires money to pay the troops at the Cape of Good Hope, he goes through certain forms and at last draws money from the Commissariat Chest, and the examination of that voucher at the Audit-office consists in seeing that there is an estimate, the approval of the commanding officer, and the warrant of the general commanding to pay the money. The detailed examination of the whole pay-list takes place at the War Department. Again, with regard to the vouchers for the staff pay, the whole of those are examined in detail at the War Department.

3356. Before the transfer to the War-office this year what was done?—What is transferred to the War-office, is the detailed examination which was formerly conducted by the Audit Board, consisting of those payments which are made on account of the Commissariat service, that is, the pay and allowances of the Commissariat officers, the purchase of provisions, forage, fuel and light, for the army and the land and inland water transport; the whole of the detailed examination of that has been transferred to the Army.

3357. The detailed examination of which you were speaking, of the pay list, was always done by the Army department before, was it not?—Yes.

3358. There is no change in that, is there?—None. The only change is with regard to payments made on account of the Estimate for Commissariat Services.

3359. What takes place at the Audit Board now with regard to forage, for example?—A payment is made by the Commissariat officer, and the Audit Board see that the commissary has made the payment upon a proper document (they do not check it to see that the amount of forage has been carried into store), and then when they have ascertained that the payment has been made under proper authority, they forward the voucher to the War Department, and the chest account gets reimbursed the advance which it had made; and the detailed examination of that voucher so forwarded is conducted by the War Department.

3360. What difficulty was there with regard to the Commissariat Department in the Audit-office still continuing to examine, in such detail as they were accustomed to, that particular charge for forage?—No difficulty; but I consider that it was inconsistent. The Commissariat is a fractional portion of the army, and there was no more reason why the Commissioners of Audit should examine a fractional

fractional part of the army expenditure, than that they should examine a fractional part of the naval expenditure. A commissary acting on behalf of the War-office is in the same position with regard to them as a naval storekeeper to the Navy; and there was no reason why the Audit-office should examine the accounts of the commissariat any more than the accounts of the naval store keepers.

3361. That is an argument; I rather asked you whether there was any practical difficulty in their continuing the audit as they had hitherto done?—None, that I am aware of.

3362. Except the difficulty as to principle, would any inconvenience have existed, if the old system had been continued?—I am not aware that there would have been any.

3363. It seems to me that there is a part of that duty now which the Audit-office must still exercise as to this forage; when the account comes to them they must, to a certain extent, examine into the account, must they not?—Only so far as the banking account is concerned, to see that the person who acts as banker has paid upon a proper draft.

3364. In what shape is it; is it a mere bill, or a charge, or what is it?—I take the word "draft" to mean this, that the commissary pays upon a certain prescribed document. Suppose a banker were told to pay a cheque only upon two signatures and a counter-signature, or upon three signatures, the Audit-office check is to ascertain that that order has been complied with, and that the document upon which the commissary has paid is that which is prescribed by the regulations.

3365. There is no specification of the quantity or the price, is there?—There is at present, because the Commissariat performs the double function of acting for the War Department and also for the Treasury, as bankers. The proposition was, that there should be a treasurer acting on behalf of the Treasury, and an accountant on behalf of the War-office; the accountant on behalf of the War-office would then draw upon the treasurer; the account of the treasurer would then consist of the drafts drawn upon him, and would be transmitted to the Audit-office; and the final vouchers would accompany the accounts of the War accountant to the War Department at home.

3366. At the present moment the documents sent in would include the quantity of hay bought, and the price, and the Audit-office are obliged to look into that, are they not?—No. They look into it only in this way: suppose the purchase of so many head of cattle at so much a head; the Audit-office merely see that there was a proper authority to pay the contractor so much money; they would not enter into the computation at all; that is a part of the detailed examination conducted at the War Department.

3367. Surely they did more than that formerly, did they not?—Certainly; because they examined the account of the payments on account of the Commissariat vote; and provisions being part of the estimate for the Commissariat services, they examined those vouchers in detail.

Lunæ, 7° die Julii, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Sir Henry Willoughby.
Mr. James MacGregor.	Mr. Bowyer.
Mr. Williams.	Mr. Wilson.
Mr. Cardwell.	Mr. Henley.
Mr. Chancellor of the Exchequer.	Mr. Hankey.
Sir James Graham.	

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

W. G. Anderson, Esq.

William George Anderson, Esq., called in; and further Examined.

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Vide Appendix.

3368. *Chairman.*] CAN you state to the Committee what books are kept?—This is a table which will explain that. (*The same was delivered in.*) These are merely the books in which the payments are recorded after they are made, but there are various other books kept in the office for the purpose of examining the accuracy of the claims.

3369. What is the date of the issue of the Exchequer credit for the Duke of Wellington's funeral expenses?—On the 1st of April there was a credit for 10,000 *l.*, and on the 5th there were two credits, one for 66,000 *l.* and another for 4,000 *l.*, making altogether between the 1st and the 5th of April 80,000 *l.*

3370. Sir *Henry Willoughby.*] What is that book which you have before you?—This is an abstract of all the miscellaneous votes for the year 1852-53.

3371. *Chairman.*] Will you state what was expended on account of the Duke of Wellington's funeral in the course of the month of April?—There was paid out of civil contingencies prior to the 1st of April, 14,000 *l.*, and in the month of April only 958 *l.* 7 *s.* 3 *d.*; the repayment of the advance out of civil contingencies took place in May; in two months there was rather more than 15,000 *l.* paid.

3372. Was there any further payment from that vote in that quarter?—No. Not in that quarter; there was nothing paid in the month of June. The payments were continued in August, October, November, and February,

3373. What became of all the money, the 80,000 *l.* that was drawn from the Exchequer credit?—On the day on which the credit was received the cash would be used for all the services that came in, and be carried to the general fund; from that fund it would be carried to the drawing account, and the bill account, and be expended for any services that came in course of payment.

3374. At the end of the month or at the end of the quarter is there any re-adjustment of the fund?—The account of the Duke of Wellington's funeral, remained at the end of the quarter in credit 50,412 *l.* 19 *s.* 6 *d.*

3375. Has there been a repayment for any fund?—No; when a credit is once drawn it is placed to the credit of the service for which it is issued, and there it remains till it is finally expended; it is not transferred to any other service in the books, although the cash may be put into the general till and used; the credit always remains for the service for which it was drawn, therefore this balance you will find carried on up to the present time, showing the 24,000 *l.* which now remains unexpended of that grant.

3376. In the evidence it was stated that there was a readjustment of the account which took place in the course of the month, or at the latest at the end of the month, but sometimes at the end of a fortnight?—If services are over-drawn by using credits or any other monies, in the course of a day or a week, or a month, credits are drawn under the services for which those advances are made; but if you draw too much upon any head of service you must leave that balance to be exhausted. You can use the cash for other services, but you cannot transfer

transfer the credit to any other account. Where there is too little drawn, you can then draw from the Exchequer to place the account in credit.

3377. That money has remained applicable to any services that might turn up?—It remains to the credit of this service, and is only considered applicable to this particular service, and it remains as a balance to the credit of that service now.

3378. But the money has been employed?—The cash is used the moment it is drawn, otherwise you would accumulate a surplus.

3379. But the money has practically been lent for other services, has it not?—Yes, it has.

3380. Your book would only show that there was a credit for the sum due to the Duke of Wellington's funeral, but the money would have been spent on any other service which it might suit the Pay-office to spend it upon?—It falls into the general balance. In the statement of the balances the Committee will see the credits to the different votes, and an equal sum in the bank to balance those credits. The account of the balances on the 31st March 1856, which I gave in, showed that if it had been necessary to close the accounts on that day, there was a sum in the Bank exactly equal to the amount required to pay back into the Exchequer the sums to the credit of each of the different services and votes.

3381. When does the account as to the Duke of Wellington's funeral go to the Audit-office?—Every month.

3382. Has it gone always regularly every month to the Audit-office?—The whole of the accounts are sent in about a month or five weeks after the close of the month, when all the outport establishments and the establishment in Hanover have sent in their statements; they are then made up and sent to the Audit-office, accompanied by vouchers.

3383. Do the dates of the payments go?—The receipts themselves.

3384. And the dates of the drawings and the issue of the Exchequer credits?—Everything goes to the Audit-office.

3385. Does the Audit-office ever make any objection?—No, it is not considered a part of the duty of the Audit-office at present to look to the appropriation of the votes for the Miscellaneous Services.

3386. Provided the accounts balance, they are satisfied?—Yes; they have never interfered with the appropriation of the civil service votes.

3387. They have not asked any question as to whether any money was paid before you had proper authority to pay it?—They would look to that, because the Paymaster cannot pay without proper authority; he must have authority to make the payment, and that authority accompanies the proof of the payment upon which the Paymaster is discharged.

3388. They would not observe whether you had paid money for the Duke of Wellington's funeral before there was a vote for it, and an Exchequer credit for it?—They would not at present; the Treasury authority is final.

3389. Have you nothing but payments in the account of the Duke of Wellington's funeral?—The credits are on one side and the payments on the other, and the balance remaining.

3390. That is to say, the sums drawn from the Exchequer credit?—Yes; the payments out of that credit, and the sums remaining unapplied.

3391. I should like to see the Consolidated Fund charges for 1852?—As to the Consolidated Fund charges for 1852, the same principle applies to them as to all the other services. We pay out of our general balance, and ask for a credit, when it is proper that a credit should be issued. A case in point occurred to-day. We began to pay the Consolidated Fund charges to-day, and this morning we transferred 300,000*l.* from the balance at the Bank of Ireland; and that balance of 300,000*l.* will be exhausted before we give the Paymaster-general any credits for Consolidated Fund services; otherwise it would be necessary to issue to-day about 80,000*l.* deficiency bills, to provide for those charges, and pay the interest upon the same, while other money was lying dead in the Bank.

3392. Mr. *Henley*.] You have stated that money, when it goes out of the Exchequer, goes into the general drawing account, though the amount is entered to the credit of a particular account, say the Duke of Wellington's funeral, to which it properly belongs; and that the money then is applicable to the general purposes of the Paymaster, from the drawing account?—Yes.

3393. At what periods of the year, if any, are those accounts balanced up, showing

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showing what excess or payment over the credit in any account, or what amount less than the credit has been paid?—The Treasury receive from the Paymaster a monthly account, showing the service balance upon every vote in his books at the close of the month.

3394. Is that made up at the end of the year, for the whole year?—No, it is made up at the close of every month, and it is sent to the Treasury a few days after the expiration of the month.

3395. Then at the end of the year there is no general making up of the account, but merely the months' accounts at the end of the year?—Each separate month's balance is made up; all the books are made up yearly and closed yearly.

3396. Is the account made up to the end of each month, carrying on the balance of the preceding month, or is it merely made up for the current month?—The receipts and payments are made up for each month, and the balance remaining to the credit of each service at the close of the month is carried on from month to month, and that monthly statement is transmitted to the Audit-office. The first would be one month's account, the second would be in two columns; showing in one the account for the month, and in the other the account for two months. In the next account, the account of three months, and so on till the last month of the year, when it would be an account for 12 months.

3397. If there is any balance on the whole of those accounts in the hands of the Paymaster-general for the respective services that have been voted for the year; does that go back into the Exchequer, or what becomes of it?—The balances in the Pay-office are always carried on from month to month; the final appropriation does not take place in this office; for the naval account eight months are allowed for closing the account in the departmental books. When that account is finally closed and made up for the year in the Admiralty a balance is struck which the Treasury withdraw from the votes to the credit of the navy in the Exchequer; they do not do that through the Paymaster at all; they tell the Exchequer that there is a surplus balance on account of the navy for the year ending in March last, and they withdraw from the funds at the disposal of the Admiralty in the Exchequer the amount of the balance, and declare it available as ways and means.

3398. Whenever this account is made up, say at the end of eight months, does that money in any way go back into the custody of the Exchequer?—Yes, certainly, for the army, navy, commissariat, and ordnance services; in fact, for the whole of the naval and military expenditure; but it does not for the civil services. Those have been considered running accounts for a great number of years; it is only when the Treasury, looking at the state of the votes, find that there is a surplus beyond what they think will be wanted, that they cancel the votes and tell the Exchequer to set aside the sums so cancelled.

3399. Does the Exchequer account that is published show the amount that is received, and if there be any, the surplus upon those votes which you have named?—The Exchequer account does not deal with those sums. The departmental accounts show those balances; they also show that they have been withdrawn from the funds at their disposal in the Exchequer.

3400. Then, in point of fact, the Exchequer account of the revenue and expenditure of the country does not show the repayment into the Exchequer of the surplus of the preceding year, nor how it gets out of the Exchequer to be used for any future services?—That is shown in the finance accounts presented annually by the Treasury. It does not appear in the Exchequer account, but in the finance accounts which are made up from the Exchequer transactions.

3401. Is there any reason why, if there is an actual payment of money brought in to the Comptroller of the Exchequer, it should not appear in the Exchequer accounts, or under what authority is it that the Comptroller of the Exchequer issues that balance so brought under his control?—The Comptroller of the Exchequer does not issue the balance, he merely cancels so much to the credit of the department, thus limiting the credit at the disposal of those departments; and it does not appear as a cash transaction at all, but as so much withdrawn from the fund at the credit of the department.

3402. If this cash has been absolutely issued out of the Exchequer, and comes into the Paymaster's hands, how does it get back to the Exchequer, or what becomes of it?—It is taken out of any monies at the disposal of the department. Supposing there was a surplus in March last on the final account of the navy of 100,000 *l.*, that would have been issued because the whole of the grants for that year

year were drawn out before this surplus would be ascertained; but when they close their final account, in November next, this balance will be reported to the Treasury, and the Treasury will tell the Exchequer to take out of the grants for the current year for the navy, 100,000 *l.*; so that the surplus on account of the last year would be taken away from the votes of the present year.

3403. Suppose 1,000,000 *l.* is voted for the navy for the year 1854–55, and that that sum shall not be expended by 50,000 *l.*; that 50,000 *l.* in hand is ascertained, if I understand you, eight months after the termination of the year. Then if 1,000,000 *l.* be also voted for the same service for the years 1855–56, will that 50,000 *l.* be deducted from the issue?—Certainly.

3404. Then there always is remaining a sum hanging in the Exchequer that does not appear in the Exchequer account?—The Exchequer account is a running cash account; the years run one into another, you cannot ascertain at the close of a year what the final state of the account will be eight months afterwards; therefore, when the account is finally closed, you take it out of any monies that stand at the time to the credit of the department in the Exchequer.

3405. You have stated that at the end of eight months the balance will be ascertained, but there is nothing to prevent the Government drawing out the whole of that money, under the authority of Parliament, from the Exchequer which has been voted for the service of the year?—Nothing.

3406. Then what I want to know is, what security is there that this surplus money should properly get back into the Exchequer to come under the control of Parliament?—It gets back into the Exchequer by deducting from the funds, at the credit of the naval department, the exact amount of surplus on the closed accounts.

3407. You tell the Committee that that is the way that it is practically done; but there is nothing to prevent the Government, if they should think fit, from drawing out of the Exchequer the whole of the money voted for that year, without any reference to the balance they have in the Paymaster's hands?—If they did not withdraw that money from the funds, at the credit of the department, it would be shown at once in the account which the Audit Board presents to Parliament, because the first item is the balance of the preceding year; and they state on the face of the account that that sum has been withdrawn from the funds, at the credit of the navy, in the Exchequer; and they always annex to the account a copy of the Treasury letter by which that deduction has been authorised.

3408–9. Is that Treasury letter an authority to the Comptroller of the Exchequer to issue upon the vote of that year so much less money as that balance accounts for?—Precisely so.

3410. That is clear, is it?—Quite so.

3411. That Treasury letter informs him that that surplus of the preceding year is an authority for him to deduct from the vote of Parliament for the current year that amount, whatever it may be?—It is so.

3412. Assuming that the account was closed, as in the instance of this account of the Duke of Wellington's funeral, and no further vote made by Parliament, how would that balance get back into the Exchequer from the Paymaster?—If you had an annual audited account for civil services similar to the account for the army, navy and ordnance, the circumstances of the Duke of Wellington's funeral never could have occurred, because, at the time fixed for closing the account, that balance would have been cancelled; but by leaving those services open for an indefinite period you allow those balances to be retained. What would have occurred in the case of the Duke of Wellington's funeral would have been this, that at the end of the first year there would have remained a certain sum unexpended on the vote, which would have been surrendered to the Exchequer, and made available as ways and means, and the Government would have applied to Parliament to re-vote an amount to meet the charges which remained unpaid at that date; but, according to the principle which has guided the Government for many years in the application of the miscellaneous votes, the unexpended balances are carried on, and are consequently not re-voted.

3413. Are the Committee to understand that the Exchequer accounts do not show those credits of which you have spoken, being carried on through the Audit-office by a Treasury letter?—No, the Exchequer accounts do not, because they are founded upon credits, as I explained before. It would be better if all accounts of expenditure were founded upon actual payments; the Exchequer account

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account being founded upon credits, and not upon payments, does not show the unexpended balances on the votes.

3414. Why should not the Exchequer account show the money that they actually transfer from the Exchequer to the Paymaster?—The Exchequer account does show that; it shows the transfer; but if the Paymaster has not paid away that money the Exchequer account would not show it, but the Paymaster's account would.

3415. What I mean is this, 1,000,000 *l.* being voted in 1854-55 for a particular service, and 50,000 *l.* being unexpended, and 1,000,000 *l.* being voted for the same service in 1855-56, why should not the Exchequer account show, at the close of 1855-56, that they had only issued 950,000 *l.* of that vote, because there was a surplus of 50,000 *l.* in the preceding year?—The Exchequer account would show in the subsequent year the issues and the balance minus the sum withdrawn.

3416. I asked you whether it does show it or not?—No; it merely shows the actual sums issued within the year.

3417. Then if it only issued 950,000 *l.*, instead of 1,000,000 *l.*, the account would show that?—Certainly.

3418. But not the reason of it?—No; the Exchequer account would not show that particular transaction. The Exchequer account is like the Paymaster's account, a mere cash account; whereas, the account upon which this balance is struck is the aggregate of a series of accounts embracing the transactions of a number of persons scattered all over the world.

3419. It would show the transaction though not the reason of it. It would show 950,000 *l.* issued instead of 1,000,000 *l.*, though not the reason why that 950,000 *l.* was issued; and it would show that 950,000 *l.* being only issued, there would remain in the control of the Exchequer, 50,000 *l.*?—Yes; but the account would still be complicated by the same transaction in former years.

3420. Mr. *Bowyer.*] Would not that, as an unexpended balance, be transferred back to the Exchequer, and be re-issued by the Exchequer as a part of the vote for the next year?—No; the sum cancelled upon that balance in the account is withdrawn at once, therefore it would act *pro tanto* as a reduction of the grant for the subsequent year.

3421. Then that money is re-transferred, is it not, to the Exchequer, by cancellation?—Yes; by cancellation of the surplus balance.

3422. Suppose Parliament voted the same sum for next year, as for the last, on which there was this balance, then that unexpended balance transferred by cancellation would be re-issued out of the Exchequer?—No; it is declared at once as available as ways and means.

3423. How does it get out of the Exchequer again?—By ways and means grants; it is not money; it is merely a matter of account.

3424. Then it is re-issued, is it not?—The sum is cancelled, and brought to account in this way: you grant in the next year so much less ways and means to the Government, because they have this surplus remaining on the prior year. You will see in every Appropriation Act a clause appropriating to the service of the year any surplus of ways and means granted in the prior year which is not required.

3425. Supposing the Government thought fit not to refuse the ways and means for that vote next year, how would that appear?—All the surplus ways and means of prior years are shown annually in the finance accounts, and a vote is taken in Committee of Ways and Means to appropriate them to the service of the succeeding year.

3426. Therefore, the Government could not keep on that balance as a continued balance?—No.

3427. Mr. *Hankey.*] Would not the account present the same aspect exactly, as if only 950,000 *l.* had been originally voted?—That is the effect of it.

3428. Mr. *Williams.*] You have stated that the balance, or the unexpended part of the votes of one year, is applied to the next year?—It is taken in aid of the ways and means of the following year.

3429. Is that amount deducted from the estimates of the next year, or is it merely applied for payment of part of the estimates?—Practically it is deducted from the estimates of the next year; it is deducted from the votes of ways and means. For instance, when you have closed the account for one year, and a balance

balance remains, you tell the Exchequer to take out of the grants remaining at the disposal of the department for the next year, an equal sum.

3430. Supposing the army estimates of one year amount to 7,000,000 *l.*, and there is 100,000 *l.* of that sum unexpended, would that 100,000 *l.* be deducted from the estimates of the next year, supposing the same amount to be required?—No, it is not done by deduction from the estimate, because the surplus cannot be ascertained when the estimate is formed, but the sum voted upon that estimate is the sum from which the 100,000 *l.* will be deducted. Therefore, it comes to precisely the same thing as if you knew your surplus balance at the time of taking the estimate, and then deducted it from the estimate, and allowed the department to keep the balance.

3431. I find that in the Chancellor of the Exchequer's Budget he states the exact amount of the estimates to make out his ways and means, therefore I infer from that circumstance that the amount of the surplus is not deducted from the estimate?—The Budget is itself only an estimate, upon which you allow the Government to raise the taxes necessary to meet the expenditure for the year, but the final account of the expenditure is the account upon which the settlement of these transactions takes place.

3432. *Chairman.*] Will you have the goodness to state as to all the Civil List charges upon the Consolidated Fund, the first charges which are chargeable upon the Consolidated Fund?—The first class of the Civil List is generally paid out of the growing produce of the Consolidated Fund; that is the privy purse.

3433. What book have you before you?—This is an "Abstract of the Consolidated Fund Services."

3434. When was the first payment for the first class of the Civil List in 1852?—The first payment for the first class of the Civil List was on the 7th of April, 5,000 *l.*; the Exchequer credit was on the 8th.

3435. Will you take the next payment from the Consolidated Fund for the next service?—The first payment was on the 2d of April, 153 *l.* 15 *s.*, which was the exact amount of the balance remaining in hand on the 31st of March.

3436. Take the next payment from the Consolidated Fund for the next service?—It was on the 30th of June, 24,268 *l.*, and the Exchequer credit on the same day was 31,629 *l.*

3437. Take the next instance?—For the third class there was a balance on the 1st of April of 1,257 *l.*; the payment on the 2d of April was the exact amount of that. The next payment was for the expenses of the Lord Chamberlain's department, 6,229 *l.*, on the 12th of April; and the Exchequer credit was on the same day. In the fourth class the first payment was on the 7th of April, 250 *l.*, and the Exchequer credit was on the 8th for the exact amount. The fifth class embraces the pensions; the first payment was on the 7th of April of 568 *l.*; and the Exchequer credit was on the 8th, 2,888 *l.* With regard to the sixth class, the first payment was on the 8th of July, 850 *l.*, and the Exchequer credit was on the same day. Then I come to the annuities and pensions; these credits are irrespective of the balances that are brought forward on the 1st of April. With regard to the annuities and pensions, the first payment was on the 6th of April, 4,203 *l.*, and the Exchequer credit was not granted until the 19th.

3438. Between that and the 19th is there any further payment?—Yes, several; a great part of the whole charge had been paid, and the reason for that, so far as I recollect, was, that at that time we were issuing ways and means bills; we had very little money in the Exchequer then, and we issued ways and means bills, which can only be issued for supply services. The object was to make the issue at the time when it could be paid off without incurring the charge of interest; that applies to the whole of the Consolidated Fund. We should issue credits on the very day on which the payment commenced, if we could do it without entailing a charge for interest; we are paying to-day various charges on the Consolidated Fund, and if money issued from the Exchequer to meet them it would be necessary to make that issue by deficiency bills, bearing interest; but having transferred on Saturday 300,000 *l.* from Ireland to the Bank of England, to meet the current payments, we delay the issue from the Consolidated Fund till that money is gone; the head of salaries and allowances would be in precisely the same situation.

3439. Will you state the dates?—The first issue for salaries and allowances is on the 6th of April, 11,591 *l.*, and the Exchequer credit of 43,088 *l.* was not till

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till the 20th of April. With regard to "Courts of Justice," the first payment was for 755 *l.* on the 6th of April, and the Exchequer credit for 50,000 *l.* was not until the 28th of April.

3440. Between that and the Exchequer credit issuing, was there a considerable sum paid?—Nearly the whole; 50,000 *l.* was drawn to cover all the payments, and to leave a small balance for future services; under the title "Diplomatic" the first payment was not until the 7th of May. The charges are 3,212 *l.*; and the Exchequer credit was not until the 20th of May for 32,000 *l.*

3441. Sir *Henry Willoughby.*] Was the money paid before the Exchequer credit?—Yes; the moment that the Treasury warrant was received; that service is paid upon returns received from the Foreign-office.

3442. *Chairman.*] What are the miscellaneous charges?—They are the compensations for the loss of tin duties, payable to the Duchy of Cornwall; and there is the Russian Dutch loan, the annuity to Greenwich Hospital, and the Greek loan; those are all payable under that head.

3443. When do they become chargeable; at the beginning of the quarter?—The Russian Dutch loan is only chargeable twice in the year, generally at the end of the quarter, and the Greek loan also.

3444. You have not one account entirely for miscellaneous charges, have you?—Yes, only one account.

3445. Will you have the goodness to turn to that?—The 6th of April 1852; the first payment is 3,153 *l.* 8 *s.* 3 *d.*; the Exchequer credit was not till the 28th April, 18,681 *l.*

3446. In the meantime was the principal part of it spent?—About 14,000 *l.* of it had been spent.

3447. Before any credit was taken?—Before the credit was issued.

3448. Will you have the goodness now to take the miscellaneous votes?—They are very numerous, but a separate account is kept for each.

3449. Take the public buildings and Royal palaces?—The first payment was on the 1st of April, 9 *l.* 7 *s.* 3 *d.*, and there are various small sums up to the 19th of April when there was a payment of 6,468 *l.*; there was a balance on the 1st of April of 1,616 *l.*, and an Exchequer credit on the 5th for 10,000 *l.* This account was in full credit the whole of the month.

3450. You did not exceed your credits?—No, nor anticipate them. The next item is "Royal Parks." The balance on the 1st of April 1852 was 1,293 *l.*, and the credit on the 30th, 300 *l.* There were other credits through the cash account also in that month; there were no payments of any consequence in that month; the whole of the payments amounted to 2,166 *l.*, and the balance was overdrawn on the last day of the month, 256 *l.*

3451. When did you get the credit?—Some cash was paid in on the 8th; there was no Exchequer credit drawn till the 31st of May.

3452. How did the account stand when you applied for an Exchequer credit?—It was then overdrawn at the end of that month, 3,571 *l.*; at the end of the next month it is 870 *l.* in credit; at the end of the following month it is 449 *l.* in credit; at the end of the following month it is 1,299 *l.* in credit; at the end of the following month it is 613 *l.* in credit; and that goes on from month to month; it does not appear that it has been overdrawn again within the year.

3453. That is at the end of the month?—Yes. It was overdrawn in various small sums up to the 25th of the month when an issue placed it in credit.

3454. It has been stated in evidence, I think, by Mr. Hoffay, that before the end of the month it was the habit to obtain Exchequer credits to cover the advances?—Yes, generally; but as the monies are drawn out on estimate, it will always occur that there are payments which you cannot provide for.

3455. But the state of the account at the end of the month would not show what the course of the transactions had been during the month?—Not on each day.

3456. Now take the Treasury?—The Treasury on the 1st of April 1852 was overdrawn 81 *l.*, and they got a credit of 7,000 *l.* on the 5th, but they began paying the salaries on the 1st.

3457. They did not advance from the civil contingencies?—No. Those issues have generally been made at the close of the financial year; the 5th was the last day of the financial year, and they generally made all those transfers on that day; now it is always done on the 31st of March; the payments commence on the 1st of April.

3458. When

3458. When was the account set right; when was the first issue?—It was all set right on the 5th.

3459. Will you now turn to some other office?—The "Home Department" was overdrawn 1,757 *l.* on the 1st of April; the Exchequer credit was on the 5th; but there were very few payments in that month, not above 855 *l.* in the whole month.

3460. When was the first credit?—On the 5th; the credits for salaries were all issued, no doubt, on the same day. The "Foreign Department" credit was on the 5th also.

3461. Were the salaries paid before the monies were issued?—Part of them were, but of course all these services had balances in the Exchequer.

3462. Sir *Henry Willoughby.*] Where did you say the money was?—There were credits in the Exchequer which more than covered all those sums overdrawn.

3463. *Chairman.*] You had not exceeded your vote, but there was no credit in the Exchequer?—It is not a credit till it is out of the Exchequer.

3464. Mr. *Chancellor of the Exchequer.*] You mean that there were funds in the Exchequer?—Yes.

3465. *Chairman.*] Were there votes before you paid those sums?—Yes; the payments in April relate to the prior year, and not to the current year.

3466. You pay for the bygone quarter, do you not?—Yes.

3467. Take another class, if you please?—Class 3: "Sheriffs' Expenses." There was a balance of 1,117 *l.* remaining on the 1st of April; the payments of the whole month were only 396 *l.*, therefore there was no anticipation there. "Law Charges in Scotland:" the first payment was 5,000 *l.* on the 23d of June, and the second payment was 3,382 *l.* on the 28th June. The Exchequer credit for the second was issued on the 28th of June, and a further sum of 2,167 *l.* 10 *s.*

3468. Sir *Henry Willoughby.*] What do you mean by anticipating the next year's grant?—I think this 2,832 *l.* overdrawn on the 1st of July would be on account of the current year; whether the votes had been taken then I cannot exactly say; the probability is, that on the 1st of July they would be, because on the 3d the sum of 3,500 *l.* was drawn to cover it.

3469. *Chairman.*] Can you state whether that account was overdrawn on the 1st of April?—It was not overdrawn then; there were no payments till June. It was overdrawn on the 30th of June, 2,832 *l.*; and on the 3d of July a credit was drawn to cover it. "Prosecutions formerly charged on the county rates." There was a balance of 1,281 *l.* on the 1st of April. On the 5th, an Exchequer credit of 27,157 *l.* was drawn; and the payments go on from day to day throughout the month, leaving a balance at the end of the month of 1,765 *l.* The next item is, "Prisons' superintendence." There was a balance, on the 1st of April, of 874 *l.*, and on the 1st of April there was a payment of 1,125 *l.*, and there are a few small payments throughout the month, making the whole payment in the month of 1,710 *l.* An Exchequer credit was drawn, on the 29th of April, of 1,200 *l.*, which put the account in credit, 364 *l.* A small sum, a few hundred pounds, was overdrawn between the 1st and the 29th. "Establishments of prisons at home;" there was a very large balance on that, on the 1st of April, which covered the whole of the payments of the month.

3470. How much was there on the 1st of April?—Fifty-four thousand and seventeen pounds. There is a large expenditure on that vote.

3471. How long had that balance remained?—Probably not many days. It is generally towards the end of the month that it would be drawn.

3472. How came you to draw out 54,000 *l.* without demands of any importance pressing?—It was no doubt supposed that large demands were coming in.

3473. Did they generally fall due about that time?—Yes, all the charges for prisons come in about that time; but this sum appears to have been larger than was necessary.

3474. How did the accounts stand at the end of April?—A balance of 50,000 *l.* at the end of April.

3475. Now look to the end of May?—Then it was reduced to 25,000 *l.*, and at the end of June to 10,000 *l.*

3476. When did you get any Exchequer credit?—There was one on the 23d of April, and nothing till the 29th of July.

3477. How did that account stand on the 23d of April?—There was money on the account; a large sum. I cannot say why it was drawn; there appears to have been no necessity for it.

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3478. How much was drawn when there was that balance?—£. 16,000; I suppose claims came in, and that balance must have been lost sight of when a further credit was issued.

3479. How much; had you any balance at that time?—About 30,000 *l.* or nearly so; at the end of June 10,000 *l.* Then a credit was drawn in July of 7,000 *l.*, and the balance at the end of July was 1,765 *l.*, and further credits in the following month of 25,000 *l.*; the balance at the end of that month was overdrawn 2,400 *l.*

3480. When was it set right?—On the 13th of the next month; at the end of September it was in credit 5,832 *l.*

3481. Then in October what was it?—Including all the credits drawn in the previous month, the balance was 5,607 *l.*; at the end of November 6,696 *l.*; at the end of December it was overdrawn 190 *l.*; at the end of January it was 457 *l.* in credit; at the end of February 1,935 *l.* in credit, and at the end of March 4,927 *l.*

3482. What is your next head?—"Prisons; maintenance in county gaols." The balance overdrawn on the 1st of April was 446 *l.*; a credit was drawn on the 5th to set it right.

3483. Go on to the next?—"Transportation of convicts;" the balance on the 1st of April was 5,545 *l.*; the first credit was for 15,299 *l.*, on the 29th of April; on the 30th it was paid away as a transfer to the navy; the monthly balances ran as follows: 5,545 *l.* on the 1st of April; on the 1st of May, 2,826 *l.*; on the 1st of June, 2,666 *l.*; on the 1st of July, 2,376 *l.*; on the 1st of August, 2,642 *l.*; on the 1st of September, 2,366 *l.*; on the 1st of October the balance was overdrawn in consequence of a large transfer to the navy on the previous day of 12,436 *l.*, and it was drawn out and adjusted on the 9th of October.

3484. Sir *Henry Willoughby.*] How do you know it went to the navy?—I have it here, on the opposite side of the account; most likely the transfer order came on the last day.

3485. Who was the judge of that?—The naval department order the Paymaster on the last day to receive the amount; there is a transfer order from the prisons department, and a receivable order from the navy.

3486. Who sanctioned the transfer from that particular account to the naval department?—The transfer is authorised by the department controlling the expenditure; that is the department of the directors of convict prisons; that transfer of 12,000 *l.* placed the account in debit.

3487. *Chairman.*] How came the convict establishments to be connected with the navy?—For supplies made by the navy, connected most likely with the fitting of convict ships.

3488. Not in the ports is it?—At the dockyards. I believe all convict ships are fitted by the navy, and the Admiralty make their claim on the prison department, and it is adjusted by a transfer. The balance on the 1st of November was 387 *l.* in credit; on the 1st of December it was 2,679 *l.*

3489. Mr. *Wilson.*] It has been stated before the Committee that you had drawn 54,000 *l.* for the convict department last month, and it was inferred from the answer given to the question that it must have been drawn from another service; will you explain what that 54,000 *l.* was, in reference to what you have been stating?—I think it was about 340,000 *l.* that was drawn out on the 31st of March to make a payment to the commissariat chest for advances made abroad, for the expense of convicts in the colonies; a claim was made by the Audit Board on the previous day, and a credit was drawn to meet that payment.

3490. *Chairman.*] I thought those claims were settled quarterly or monthly?—No; most of those civil claims are only settled annually, upon the preparation, by the Audit Board, of the annual account of the commissariat chest.

3491. But the claims against the army, navy, and ordnance are not only settled monthly, but I think all the claims are settled by payment in advance, are they not?—They are settled with those great departments by a payment on account at the close of every month, but the final settlement only takes place at the close of the year, when they pay the balance.

3492. At the end of the year there is a final settlement, is there not?—Yes.

3493. Is it the same thing with the civil votes?—No; that is not done with them; with the exception of this one item, they are not large enough to make it important to do that.

3494. The sum total of those items must be very considerable with the commissariat chest?—This item is much larger than all the rest put together.

3495. Why is not that system applied to them?—There is no reason why we should not have a sum transferred to the chest on account, instead of leaving so large a transfer to be made at the close of the year. It rests a good deal with the Audit Board when they make their claim; if the Treasury told them to do it quarterly or monthly, they would do it on the receipt of the accounts from abroad. With regard to "Public Education," there was a balance of credit of 2,089 *l.* on the 1st of April, and a credit was received on the 5th, of 10,000 *l.*, and the payments are carried on from day to day. It appears that those sums were not quite sufficient to cover the payments; it was overdrawn on the last day 1,200 *l.*

3496. When did you apply for a fresh credit?—A credit was obtained on the 10th for 20,000 *l.*

3497. How did your account stand on the 10th when you set it right?—It must have been about 18,000 *l.*, and we drew 20,000 *l.* to square it, and leave a small balance to carry on the service, and at the end of the month it was 1,618 *l.* in credit; at the end of the following month it was 647 *l.*, and at the end of the following month it was 3,455 *l.* overdrawn.

3498. When was that set right?—On the 12th there was an Exchequer credit for 20,000 *l.* At the end of the following month it was again overdrawn 2,766 *l.*, and on the 13th it was set right by the issue of 25,000 *l.* Then the Post-office had a claim of 17,000 *l.* on the same day, and at the end of the month it was again in credit 1,505 *l.* At the end of the following month it was 116 *l.* overdrawn; a large payment was made on the preceding day, and 116 *l.* was overdrawn on the 31st of October; and on the 8th of November there was a credit of 20,000 *l.* to meet a large payment of 16,000 *l.* to the Post-office on that day.

3499. In how many of those months does it appear that the account is overdrawn at the end of the month?—Five.

3500. Will you just turn to another account?—"British Museum;" a payment was made on the 17th of June, of 7,085 *l.*; the trustees generally get an advance from civil contingencies to commence the year's service with; it is generally voted late, and nothing was paid till the 17th of June, when 7,085 *l.* was paid, and on the 30th of June 6,000 *l.* more, making 13,085 *l.*, for which the exact sum was drawn on the 29th of June; all the other receipts and payments are generally on the same day. With regard to the "British Museum Building, Works Accounts," there was a balance on the 1st of April of 1,163 *l.*; a payment was made on the 8th of May of 6,033 *l.*, and the credit was not drawn till the 31st of May of 7,000 *l.*, which placed the account in credit; and it continued so throughout the year.

3501. What is the next?—"Colonial and Consular Services, Bermuda;" a balance of 111 *l.* on the 1st of April. "North America;" on the 1st of April, 703 *l.* in credit, and a further credit drawn on the 5th, 374 *l.*; the payments in the whole month were small. As to the head of "Governors, West Indies," there was a balance of 670 *l.* in credit on the 1st of April, and a credit of 676 *l.* on the 5th, and there was no large payment till the 20th; and there was a further credit of 2,000 *l.* on the 30th; the payments upon the whole fund exceeded the credit by 71 *l.*, and there seems to have been a credit there by transfer from another vote for correction of an error, which put it in credit 478 *l.* "Justices, West Indies;" the balance there is 173 *l.* on the 1st of April, and the Exchequer credit on the 5th was 22,451 *l.*; and there was a transfer for the exact amount to the commissariat chest, which was made at the close of the month; then there is nothing of any importance throughout the year, there were small sums only. "Western Coast of Africa;" there was a balance on the 1st of April of 529 *l.*, there was a credit on the 5th of various sums; the payments in the month were 3,870 *l.*, leaving a balance of 473 *l.* "Western Australia;" the balance on the 1st of April was 502 *l.* in credit; there were two Exchequer credits on the 5th, 6,028 *l.*, and a transfer at the end of that month for 6,286 *l.* to the commissariat chest; the balance continues in credit throughout the year; they are only small sums. "Hong Kong;" the balance was 178 *l.*, and the Exchequer credit drawn to the amount of 12,971 *l.*; and there was a transfer of that exact amount to the commissariat chest, leaving the same balance of 178 *l.* at the close of the month. "Emigration;" that is a large vote, and on that there was a balance of

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of 457 *l.* on the 1st of April, and an Exchequer credit of 1,500 *l.* on the 29th; the payments in the whole month were 2,100 *l.*, overdrawing the account by 200 *l.*

3502. Does that account continue overdrawn?—No, it is set right again. The next balance is 300 *l.* at the end of that month: the following month it is 1,500 *l.* in credit, and then it is overdrawn 636 *l.*; the next month it is overdrawn 243 *l.*, and there is a credit balance in the following month of 2,510 *l.*; it is overdrawn at the end of the month 224 *l.*, and the following month in credit again 437 *l.*

3503. In how many months does it appear that the accounts are overdrawn?—Four; all the rest are in credit. "Consuls abroad;" the balance on the 1st of April was 706 *l.* in credit; on the 5th there were two Exchequer credits amounting to 37,916 *l.*, and another, on the 29th, of 5,000 *l.*; the payments in the month were 45,000 *l.*, overdrawing the account, at the end of the month, 1,589 *l.*, owing to a large transfer at the close of that month to the commissariat chest; in the following month it was overdrawn 1,000 *l.*; then it is in credit again; the following month it is overdrawn 1,609 *l.*; then it comes to 2,481 *l.* in credit; the following month it is overdrawn 4,733 *l.*; in the following month it is in credit again 519 *l.*; in January it is 112 *l.* overdrawn again; the next month it is 3,211 *l.* in credit; the next month it is 3,025 *l.* in credit; and, at the close of the year, it is 3,284 *l.* in credit.

3504. How many are there overdrawn in that account?—Five; that is one of the services as to which it is very difficult to foresee the expenditure; the claims come in principally by bills of exchange drawn from abroad.

3505. At what date are they drawn?—At various dates.

3506. Not at sight?—No; I think very few of those bills are drawn at much less than 10 days. With regard to the "Board of Health," there was no balance; there was a credit of 5,000 *l.* on the 30th of June, and a payment, on the 29th of June, to the same amount; and the same in December; there was 5,000 *l.* on each side of the account. On the item, "Alterations in new Houses of Commons," there is 4,400 *l.*, which is carried on: Under "Census of the Population;" the balance on the 1st of April was 2,946 *l.* in credit; there were no payments till the 7th of June; and credits were drawn in June to cover the payments, leaving a balance of 946 *l.*

3507. Was there any credit drawn before the 7th of June?—No; the account continues in credit throughout the year, small sums; the 2,946 *l.* went in part payment of the sum of 4,000 *l.*, which was balanced by an issue, at the close of the month, of 2,220 *l.*

3508. How much were they overdrawn?—About 1,000 *l.* from the 7th to the 30th of June.

3509. Sir *Henry Willoughby.*] Was that a payment authorised by the Treasury?—Yes, every payment is authorised; no payment is made without full authority.

3510. Did the Treasury then know that you had no credit?—No; the Treasury would only know when the Paymaster applied for the money; they cannot know unless they have an account laid before them daily.

3511. Sir *James Graham.*] The account at the Bank is a general account, and not a branched account?—Yes.

3512. All this branching is in your books, but it does not bear upon your cash credit at all?—No.

3513. This branching is not controlled by the Comptroller of the Exchequer in any way?—No. The Comptroller of the Exchequer only knows when the money is demanded; it is demanded generally on all those votes that are overdrawn; credits are always drawn upon those votes; none of those sums overdrawn are in excess of the grants; care is taken that there are funds always to meet them in the Exchequer.

3514. All that the Comptroller of the Exchequer looks to is, to see whether, under any head, you are in excess of the vote?—Yes.

3515. If you are within the vote, he has no control whatever with respect to the payments into the general cash account at the Bank?—None.

3516. The general cash account is not branched, and as long as the whole account is not overdrawn you can operate upon it as necessity requires?—Yes; we can operate upon it within the limits of the respective votes. Nothing can be more troublesome than this splitting up of the cash; it is almost impossible to work it. It appears to me that such a mode of regulating the cash account is contrary

contrary to common sense; it ought to be one fund, and the money should be issued as it is wanted. The appropriation ought to be, not against the daily credit, but against the annual vote; then the accounts would be always in credit.

3517. Mr. *Wilson.*] You mean daily payments against the vote, in order to see that no issue is made beyond the vote which Parliament has sanctioned?—Precisely.

3518. Mr. *Cardwell.*] Do you see any result in that book except the labour of keeping it?—Nothing. The keeping of this credit account does not prevent our keeping two vote accounts in addition to this.

3519. Mr. *Wilson.*] This account would be quite necessary, would it not, for the knowledge of the Paymaster, to see that he never made a payment beyond the amount which Parliament had authorised?—Yes; at the head of the account of every one of these we have the amount of the vote stated, to see that no issue is made beyond it.

3520. Mr. *Bowyer.*] This book is produced to show how you stand from time to time as to the Exchequer credits?—Yes. At the same time we keep in view at the head of these accounts the annual vote, to see that when the account is overdrawn it is not beyond the amount that we can draw on applying for it. The account for the Duke of Wellington's funeral is 14,000 *l.*, paid out of civil contingencies, not in anticipation of the vote, but in anticipation of the issue of the credit. Lord Monteagle holds that he cannot issue money for the service of the year before the 1st of April. I have very strong doubts as to whether his law is quite good on that point, because the service may commence before the 1st of April. He considers that he cannot make an issue before that date, because the ways and means belong to that particular year, and no other.

3521. Sir *Henry Willoughby.*] You stated that two accounts were kept; what did that mean?—There are two accounts kept with each vote; there is this cash account, which shows the amount of the Exchequer credits received on each vote, and the amount of payments against those Exchequer credits; and another account is kept of the annual votes, with the payments set off against those votes; a third account is kept, showing the Exchequer credits on one side and the vote on the other, and the balance of credits unissued.

3522. Mr. *Bowyer.*] Without this book you would not know when you wanted new credits?—No. If it were not for our being compelled to ask for credits under specific heads of service, we should not keep separate accounts for that purpose.

3523. Mr. *Cardwell.*] The necessity for keeping all that detailed account, which you have described as giving no practical information to anybody, would be dispensed with if you were permitted to do in point of form what you actually do in substance, namely, take the balance to your credit to meet all the demands that are likely to be made upon you?—Precisely.

3524. Then an account showing the vote at the top of the page on one side and the payments on the other would answer all the purposes of that very complicated book?—Yes, because there ought to be only one account of the appropriation.

3525. The other account would have the advantage of being, to all intents and purposes, true, whereas that is not only a mere form, but if it appears to convey any information, it is all moonshine?—The necessity of keeping those credits, which are issued for specific services, distinct under each separate vote, compels us to keep three sets of accounts. We ought to be able to do what the Comptroller of the Exchequer would do, if he managed the payments; suppose the Exchequer made the payments in detail, the course which the Comptroller of the Exchequer would follow, would be to make those payments from day to day and charge them against the annual votes; but by having two offices to do the same thing, there are two intermediate accounts raised which are extremely troublesome from the time that they consume, and they lead to no result after all. We could draw any sums that we wanted for those services, and keep them all in credit if unlimited balances were allowed.

3526. Mr. *Chancellor of the Exchequer.*] Two out of the three books are rendered necessary by the Exchequer system?—Yes; by the necessity of keeping our accounts so as to square exactly with those of the Exchequer.

3527. Mr. *Williams.*] Is not that book before you a sort of cash book?—Yes, it is a cash book split up into 200 or 300 cash accounts, instead of having one.

3528. Do you keep a regular cash book?—Yes.

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3529. Mr. *Henley*.] Is that book out of which you have been reading, a fair sample of the various years?—I question if the issues are usually so late as they were made in April that year; there was a disturbing cause which does not usually exist.

3530. Mr. *Williams*.] How are the accounts furnished to you of the different amounts; are they by bills sent in or by warrants?—Claims come in from all quarters. They come in either by letters, by orders for payment in a particular form, by warrants, by negotiable bills at various dates, by bills at sight, and by personal application; a vast number of them are by personal application.

3531. When personal applications are made, how are you made acquainted with the particulars of the items in a business-like form?—All those relate to the non-effective services, and there is an account opened with each individual, many thousands, stating the sums which they are authorised to receive periodically, and an estimate of the sum likely to be demanded on a particular day is made.

3532. Mr. *Bowyer*.] Instead of applying from time to time for Exchequer credits, and keeping an account against them, you would propose to take a credit for the whole vote at once?—I should propose that the issue should be made to us for the estimated amount of our payments on each day, but not appropriated in anticipation of payments; it should be out of a general fund, out of the general votes, and an account of that should be rendered. I think that a system of that kind might be carried out, supposing the Exchequer to remain.

3533. *Chairman*.] Do you mean that you should have a credit for one sum of money?—Say that the payments of to-day are estimated at 100,000 *l.* that 100,000 *l.* should be issued from the Exchequer out of the general vot and at the close of the day the actual appropriation should be charged agai t the votes upon the actual issues; and therefore that the Paymaster should be dealt with as an imprest accountant, the same as any one of the great departments deals with a naval storekeeper or other paying officer.

3534. Sir *James Graham*.] Coupled with a concurrent audit?—Yes.

3535. Mr. *Bowyer*.] Then it would be safe if you had the whole put to your credit at once?— Yes.

3536. Mr. *Wilson*.] Would not the effect of that be simply that instead of making your specific appropriations by estimates, as at present, without knowing what will be required, you would make your specific appropriation in that case by absolute payment, when you could do it accurately?—Yes; by accurate payments upon vouchers.

3537. Mr. *Bowyer*.] You would keep your account against the votes, and not against credits?—Yes; and the effect would be as if we had the whole vote at our credit at once.

3538. *Chairman*.] What would you do with those repayments from one account to another?—The repayments from one account to another are like cash receipts to the credit of one account and payments to the debit of another; those come in in addition to the Exchequer credits.

3539. You must keep an account of them?—Yes; the same as with the cash account.

3540. Would not that break in a little upon the simplicity of your account?—No; because any credit that is paid to the credit of a vote, would be a deduction from the sum to be accounted for to the Exchequer. Supposing that the Comptroller of the Exchequer issued 100,000 *l.* for payments to-day, and the Paymaster received, in addition to that 100,000 *l.*, 5,000 *l.* on his cash account to the credit of the navy, he would return his payments out of the 100,000 *l.* to the Exchequer less by that sum, and the 5,000 *l.* which had been paid into the cash account would thus go in reduction of the naval payments.

3541. Mr. *Henley*.] You would then provide against an issue from the Exchequer beyond the amount of the vote upon the system you have suggested, but if I understand it, you would ask for 100,000 *l.* on account, and as soon as it was expended you would return the different heads to the Exchequer; but how would you provide or guard against the Exchequer being asked for a sum that might overrun the amount of the vote in the Exchequer?—The Exchequer would see, from day to day, throughout the year, the progress of the expenditure of each separate vote, and when they came close upon the balance then would be the time to stop before any issue had been made. It would be necessary then that some step should be taken to prevent an over-issue by the Paymaster.

3542. Must

3542. Must the Exchequer then stop the issue of any money, from the Exchequer being in ignorance as to what account the Treasury intended to apply it; 100,000 *l.* being asked for, some votes being all expended, and others not, how would you deal with that?—The Exchequer would know when a vote was exhausted; but there is nothing under the present system that would prevent a payment in excess of the vote. By the issue under specific votes, there is nothing to prevent the payment of a larger sum that the Exchequer has issued; it may be drawn under one vote and paid away for others; at present the Exchequer does not know that, but under the proposed system they would know it at the close of the day.

3543. At present, if the whole of the money voted for the navy were issued from the Exchequer, and you asked for a further sum, the Comptroller would not issue it?—No; but he must issue whatever is demanded. I do not know of any case in which an application has ever been made for an issue beyond the vote; you would have the same control over an improper application as now, so far as the Exchequer is concerned, with this advantage, that the Exchequer would know it, whereas now it does not.

3544. I understand that you propose to ask for money on account from the Exchequer?—Yes; to ask for money on account, and to give a statement of the application of it under the different votes.

3545. Would there be any security in any way for the amount of a particular vote not being exceeded?—There would be no more security for the amount of a particular vote not being exceeded than under the present system; but the moment a vote was exhausted by payments returned, of course steps must be taken to adjust that.

3546. Are the Committee to understand that now, if the vote for the navy was 2,000,000 *l.*, and the Treasury asked for 2,500,000 *l.*, the Comptroller of the Exchequer would issue 500,000 *l.* in excess?—No, he cannot do that.

3547. Then there is a security now?—Yes, as to the issue, but not as to the application.

3548. The money is in the Exchequer, and until it is issued you cannot apply it, is not that so?—Precisely.

3549. You say that now it could not be issued in excess of the vote?—It cannot.

3550. I ask you whether, if under the system you propose, you asked for money on account, without telling the Comptroller of the Exchequer to what purposes it was to be applied, what security there would be that money would not be applied in excess of a vote?—No other security than there is now.

3551. At present you say it cannot be issued out of the Exchequer; what is the security; you may apply other monies that you take out of the Exchequer upon the plea of applying them to other purposes, and wrongfully apply them?—Yes.

3552. But you cannot get money out of the Exchequer without its being clear upon the face of it that you have so wrongfully applied it?—But that never appears, because you never ask the Exchequer for any issue beyond the vote.

3553. The issue now from the Exchequer is upon the credit of a particular vote?—Yes.

3554. It seems to me that you might be taking money generally, and that you might apply it in excess of particular votes, and that in that way the Exchequer really would have issued in excess of the vote without knowing it?—But they could not issue in excess of the aggregate of the votes at any time.

3555. Mr. *Wilson.*] Is not the difference this, that at the present moment you can issue from the Exchequer the whole amount of the money included in the Appropriation Act up to the last shilling, only you must do it under the various heads under which Parliament has voted it; but when you have that money in the Paymaster's-office, issued from the Exchequer, you have the power of applying it as you please, without any control of the Exchequer, if the Treasury are so disposed?—Yes, that is the system.

3556. There is no check upon the application of those monies after they come out of the Exchequer?—No; the Exchequer check practically applies only to the aggregate votes, not to issues under specific votes. As to the application of the money, it can only limit the application to the aggregate of the votes.

3557. Without reference to what you have done with the issues which have been already made through the Exchequer, you are entitled now, as the law stands,

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stands, to issue upon any vote which may be unexhausted up to the aggregate amount of the votes?—Yes.

3558. Suppose you had issues, as you propose, by sums from day to day, and not appropriated, the only check you would have is what you have now, as to the aggregate votes of Parliament?—Yes, just the same security that we have now with regard to the specific issues.

3559. If 57,000,000 *l.* are voted, you can get them out of the Exchequer without any interference of the Exchequer; but you take them and cut them in pieces in the way in which Parliament has voted them?—Yes.

3560. If you took it in your way how would it be?—In either case you get the aggregate amount of the votes.

3561. Mr. *Bowyer.*] I understand that the only way in which you can exceed the vote would be by applying to the Exchequer for money on an unexhausted vote, and then misapplying that money to a vote which already had been exhausted?—Precisely so, as that is the only way.

3562. Then according to the plan you propose, you would take money from the Exchequer, without saying how you meant to apply it, and then you could apply it to the exhausted vote?—We could do so, but the rule is always to look to the aggregate credit.

3563. My question is this: could you apply to the Exchequer for money without saying what you meant to do with it; could you misapply it to a vote which had been already exhausted?—Yes, we could do it under the proposed system, the same as under the present system.

3564. Then you would be pulled up at the end of the year, because you exceeded the aggregate?—I propose that we should be pulled up at the end of the day. I propose to render a daily account, showing the manner in which the sums drawn upon the aggregate account have been applied.

3565. How could you be pulled up when the Exchequer would not know how you meant to apply the money you asked for?—In this way: the moment the account was overdrawn they would know it, which they do not now.

3566. Mr. *Cardwell.*] According to your plan, you would not be hauled up at the end of the year, but you would be hauled up the following morning?—Yes, when you gave an account showing that you had overpaid your vote; but the Paymaster will not overpay without an authority.

3567. *Chairman.*] How would it be known that the Paymaster had not paid from army votes any services for the Duke of Wellington's funeral, or any other service?—An account of the actual application of the monies drawn would show that.

3568. As I understand you, at the end of the day you are to send in an account how the money has been disposed of; what would prevent you putting any charge upon any one vote, supposing you had received such directions, or were so disposed?—By falsifying the accounts anything can be done.

3569. If you received an order to pay certain sums of money from the Treasury, or from any other department, you would pay them, of course?—Yes. If the Paymaster were kept in ignorance, if it was charged against the wrong vote by the department, the Paymaster would have no check upon it.

3570. You could not stop it?—No; but those orders come from different departments, and of course no department could go beyond its own credit.

3571. Mr. *Bowyer.*] You state that under the system which you propose you would be pulled up the next morning, because the Exchequer would see that money had been applied in excess of an exhausted vote?—Precisely.

3572. Then when that happened what remedy would the Exchequer have?—That would depend upon what powers were given to the Exchequer.

3573. The Exchequer would be obliged still, though you had misapplied the money in excess of the exhausted vote, to continue issuing money to you?—For the general service; but I can see a very simple remedy, namely, to authorise the Exchequer to charge every such issue against the civil contingencies, against the vote which is liable for such over-issues.

3574. *Chairman.*] Might not this plan be adopted as to your system: when it appeared to the Exchequer by your return in the morning, that you had applied money in excess of an exhausted vote, that then the Exchequer should be authorised to refuse any further issues till it was rectified?—That would never do, because you would force the Paymaster to stop payment, and that would damage public credit.

3575. Might not that rectification be made immediately without doing that, or in the course of half an hour?—If the money had been issued, we could not remedy it, except by charging it upon civil contingencies.

3576. Mr. *Wilson.*] You have stated, in going through the book, that frequently accounts have been overdrawn, and you have been asked whether they have been overdrawn four and five months in the year. By the word "overdrawn," you merely mean that more money has been issued by the Paymaster, not that the vote has been overdrawn?—No; in no case was the vote overdrawn; there was always money in the Exchequer belonging to the vote.

3577. The rule is invariable not to exceed the Act of Parliament?—Yes.

3578. *Chairman.*] They can prevent you taking money out of the Exchequer beyond the vote of Parliament?—Yes; when monies are paid in to the cash account, we of course exhaust those sums first.

3579. Mr. *Wilson.*] You are bound to do so?—Yes; if the Paymaster were allowed to have an unlimited balance, there would be no necessity for overdrawing.

3580. Mr. *Bowyer.*] What would be your object in reporting every day the appropriation of the money, if the Exchequer had no remedy whatever in case you misapplied it, or applied it in excess of an exhausted vote?—The object would be to simplify the mode of conducting the whole business of keeping the accounts.

3581. What security would there be as to the application of this money?—Nothing beyond preventing issues beyond the aggregate of the grants, which is just the security we have now, unless some other regulations were established.

3582. The report which you propose to the Exchequer, of the application of the money from day to day, would be of no use at all?—Yes it would, as it would show the actual sums applied to each vote, which the present accounts of the credits do not.

3583. It would produce no result, because the Exchequer would have no remedy?—That would depend upon what remedy Parliament chose to establish; if excesses were charged upon civil contingencies there would be a remedy at once.

3584. Sir *Henry Willoughby.*] Your plan would require some new legislative enactment, would it not?—Yes; we cannot alter the system under the present Exchequer Act.

3585. Mr. *James M'Gregor.*] Your evidence goes to this, that instead of having the Comptroller-general of the Exchequer, you would have a comptrolling auditor-general carrying on a daily audit?—I consider, with regard to the whole of the civil service votes, that we should adopt the same rule which is already in force as to the great naval and military expenditure, to lay the vouchers and accounts from day to day before the auditors, and if necessary, to extend their powers.

3586. That system of audit would go on side by side with your payments?—Yes.

3587. In fact, the payments would be carried to the account at once opened by the vote of Parliament?—Every payment would be charged at once against the vote.

3588. Without the intermediate account which you have exhibited to-day?—Yes. I merely suggested that as an arrangement which might be adopted without disturbing any existing departments; that arrangement would still compel us to keep duplicate and triplicate accounts.

3589. Mr. *Wilson.*] What you have recommended as to the civil, is precisely the same as is now done with regard to the army services?—It is the same system that has been in operation as to those great services for upwards of 24 years.

3590. Though the army services are voted in 20 or 30 votes, there is no attempt in issuing that money from the Exchequer to adhere to those special votes, but it is issued upon the whole aggregate vote from time to time?—Yes; that is the rule that has been adopted ever since the passing of the Exchequer Act; they have never attempted to issue upon the special votes of the army, navy, and ordnance.

3591. The appropriation has taken place with a concurrent audit within the departments, instead of attempting an appropriation in the issuing of the monies?—Yes.

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3592. If the whole of the civil service votes were issued on account, as you have suggested, so much per day, and the appropriation of the monies took place within the Paymaster's department in the same manner as it now does in the army, there would then be uniformity of system between the civil services and the present army and navy services?—Yes, and the same control would be applied to those votes which Parliament has established over the naval and military votes.

3593. You would have a specific appropriation of each vote governed by the actual payment of the money, instead of being governed by an estimate made the day before of the probable requirements for each vote?—We should have an appropriation founded upon actual payments, instead of estimated issues.

3594. This system which you have recommended as to the civil services has now been in operation with the great naval and military departments for more than 20 years, and the plan has worked well, and Parliament has had as much control and check over the one as over the other?—I think that Parliament has had a far more perfect control over the naval and military expenditure than over the civil expenditure, because the accounts being closed at the end of every year, and all surplus balances surrendered, Parliament has had a control over those votes which it has not had over the civil votes, which are carried on from year to year, whether they are in surplusage or not.

3595. But which superior control Parliament would have over the civil services if the same principle were applied to them which has been applied during these 20 years to the other services?—Yes; we should have one uniform system, which, I think, would work better than the present conflicting regulations.

3596. *Chairman.*] Will you have the goodness to state to the Committee the practice with regard to the great services; you stated that there was some disturbing cause as to 1852–53; was that so?—There must have been, because the Exchequer credits for the Consolidated Fund services are always issued much earlier than that; it seldom goes beyond the time fixed for the re-issue of daily credits; there is always an interval after the close of the quarter, when no issues are made.

3597. That is unusual, is it?—It evidently is unusual; I do not know any case in which it was pushed on so far as in that month. There was one case which occurred in October 1853, which arose when they were re-issuing Exchequer bills, which had been paid off in money; these can only be issued for supply services; you cannot pay the amount into the Consolidated Fund; we had 3,000,000 *l.* of bills to exhaust in that way; it was not considered right to issue money from the Exchequer, bearing interest, upon deficiency bills, when you had those bills which you were bound to exhaust. Therefore, in those cases it is done simply to save interest; but the credit, although delayed, is demandable at any moment.

3598. What is the rule with regard to miscellaneous services; you were understood formerly to say that if you issued beyond your credit in the course of one day, it was set right by alteration the next; that does not apply now?—That would depend a good deal upon the money wanted; it is impossible to do it daily if you have a large balance, such as we have had of late years, of deposit money and other sums placed in the hands of the Paymaster for security; if you have those monies, you must use them, and you cannot draw a credit each day to square each account without accumulating a large surplus balance.

3599. Those deposited monies interfere very much with you, do they not?—Yes; if you are to use them for the benefit of the public, you can only do it by leaving in the Exchequer monies which otherwise you would draw out; formerly a great part of those deposit moneys stood at the credit of particular individuals; the present arrangement has been made with a view of saving the public money.

3600. Have you the army account in your time?—Yes; the army, navy, and ordnance.

3601. Take the ordnance?—With regard to the ordnance, the balance on the 1st of April was 34,827 *l.* in credit; the payments on that day were 14,513 *l.*, and the balance carried forward to the next day was 20,518 *l.* The payments on that day were 6,185 *l.*, and the balance carried forward to the next day was 14,332 *l.* Then the next day the payments were 14,920 *l.* 18 *s.* 4 *d.*; they overdrew the account 587 *l.* Then on that day 120,000 *l.* was drawn, and the payments were only 9,199 *l.*, leaving a balance of 110,916 *l.*

3602. What was the balance the next day?—On the 7th it was reduced to 93,631 *l.*;

93,631 *l.*; on the 8th to 82,180 *l.*; on the 10th to 74,984 *l.*; on the 12th to 56,523 *l.*; on the 13th to 50,593 *l.*; on the 14th to 46,880 *l.* 7 *s.* 2 *d.*; the balance on the next day was reduced to 30,757 *l.*; on the 22d it was overdrawn 4,871 *l.*; on the next day it was overdrawn 8,035 *l.*; and on the 24th, the next day, it was overdrawn 12,581 *l.* Then the Exchequer credits on that day are 81,797 *l.*

3603. Is that three days running?—Yes. Then the balance on the next day was 62,760 *l.*, and the following day it was 60,056 *l.*

3604. They had overdrawn the account again?—Not on the 30th. The balance on the 30th was 8,285 *l.*, and a great part of that sum was drawn to meet a transfer which was in hand, that had to be made on the last day, amounting to 35,000 *l.* Those transfers always affect the issues towards the end of the month, If there is a large sum to be received by a service the account is purposely overdrawn, so that a surplus balance may not be accumulated upon any one of the accounts.

3605. Will you see whether it is overdrawn again?—Yes, it is overdrawn four successive days, and on the fifth day it is put right by the issue of 25,000 *l.*?—It is overdrawn three days, and it begins to be overdrawn on the third, and it is put right on the sixth, two days intervening; it sometimes occurs that it is much longer than that.

3606. Does it frequently occur that you have overdrawn on one day and it is not set right for several days?—That would depend upon the amount of money wanted.

3607. Does it occur frequently, whatever the cause may be?—It will constantly occur when you are running your balances close; it is very difficult to know what those departments are going to draw.

3608. From your reading of the first month's account you seem to have drawn large sums; you were drawing from day to day, but you drew large sums and worked them off?—Not from day to day; probably we drew for the other services on those intermediate days.

3609. Now take the Navy account?—It was overdrawn two days, and was set right by 210,000 *l.* on the 5th; then it went on, and it was overdrawn a small sum on the 7th. At the commencement of a quarter you must estimate prospectively for several days, because the Exchequer being cleared out for the debt, we have no means of getting money for several days; generally speaking, it used to run as much as a week; it varies; and of course, for a week, we do not get revenue enough in to commence a fresh issue; and if it is overdrawn in that week it cannot be set right till the following week.

3610. How long was it overdrawn?—On the 5th there was a large sum of 210,000 *l* issued for the navy; but it did not last beyond the 7th; the payments came in so heavily, and that would not be set right till probably about 10 days after that.

3611. When was it set right?—It was not finally placed in credit till the issue on the 28th; there were intermediate sums drawn on account, but the balance was not finally turned till the 28th.

3612. Sir *Henry Willoughby*.] Was it overdrawn all this time?—Yes; though issues were made on account, from time to time, the payments kept beyond the issues the whole of that time.

3613. From the 16th to the 28th?—Yes.

3614. What was the final amount that you had overdrawn?—It amounted to 112,000 *l.* on the 27th, and on the 28th the issue of 120,000 *l* set it right, and at the end of the month the balance was 4,436 *l.*

3615. Are there not instances in which the account has been overdrawn to a much greater extent than that?—No.

3616. Not in the present year?—No; last year the War departments took their votes as distinct departments, and they expended them as an united department.

3617. All in one lump?—The orders came separately, but owing to the transfer of services between the different departments it has been almost impossible to make any separation of the cash. The votes for the ordnance corps, the artillery and engineers, were transferred to the management of the Horse Guards, and their pay was issued through the War-office.

3618. Would that system apply to thirty millions of money?—No; only to that portion which is voted for ordnance services, and to the proportions of the votes transferred to the departments that took this new distribution of busi-

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ness, and for all purposes for appropriation during the last year those votes must be considered as one in their progress through the Paymaster-general's accounts; at the end of the year, when the final accounts are made up, every payment will be charged against its particular vote, as voted by Parliament.

3619. *Chairman.*] Mr. Hoffay stated, that last year there was an irregularity?—There was great irregularity, and I spent days in the ordnance and war departments, and here, to try if it was possible to preserve this separation, but I gave it up in despair; it was impossible to keep to a strict separation of the cash.

3620. Sir *Henry Willoughby.*] What was the difficulty?—The exchange of services and the exchange of votes.

3621. Mr. *Henley.*] What do you mean by exchange of services?—When the war department was consolidated, that portion of the Ordnance Estimates voted for the pay of the engineers and the artillery was transferred to that branch of the department which was formerly the War-office; and some portion of the Commissariat Vote in the Ordnance Estimates was handed over to the commissariat department. I believe there was also a transfer of all the non-effective services; and the commissariat department transferred a portion of its services over to the ordnance department; all this caused a great mixture of services.

3622. Upon the transfer of those services the application of the monies to the particular objects voted by Parliament was equally attended to, was it not?—Yes, each department, of course, has to expend the monies in accordance with the vote of Parliament.

3623. Does the account show that?—It will not show it till the final account is made up under the directions of the Commissioners of Audit in the War department.

3624. There will be no difficulty in showing the expenditure of the money, though it may have been under different authorities?—Not at last in making up the account; the difficulty arose in making up the cash account, one department drawing upon the fund which Parliament had placed at the disposal of another.

3625. In that state of things, the accounts were not audited from month to month?—They were audited from day to day by the Audit Board.

3626. But as to the appropriation of the money to the particular objects of the vote, would that be shown from day to day?—No, a large portion of the expenditure in all those departments is on imprest advances, and the accounts come in a long time after the issue is made; those departments are each allowed 12 months after the end of the year, for closing the account.

3627. Then what you call an audit from day to day is only an audit of the imprest, not an audit of the actual expenditure upon the particular votes?—It is an audit which takes up the monies from the vote of Parliament, and traces them through every transaction, through the hands of every person to whom they are intrusted, until the final charge is raised against the vote. Each account takes two years, commencing from the date when the vote commenced until the date when the account of the expenditure of that vote is finally closed; each account spreads over, from day to day, two years.

3628. Do I rightly understand you to state, that though this account is audited from day to day, yet you could not from day to day see what money has been applied exactly to the purpose for which Parliament voted it, or, on the other hand, do you so ascertain it?—You cannot ascertain the state of any particular vote for the army, navy, or ordnance, as to the final appropriation, from day to day, only when the account is finally made up at the expiration of the 12 months.

3629. Then, in point of fact, this daily audit is of the monies issued on account in various sums, not showing the actual application of them?—Yes.

3630. Mr. *Wilson.*] It shows the application so far as it is possible, does it not?—If the payment is final it does; but if it is an imprest given to the paymaster of a regiment you must wait for his account to see it.

3631. Then still the audit officer sees that that issue is made upon proper authority?—Yes; he always sees that the proper charge is raised against the individual who receives the money, and he is not discharged except upon the production of vouchers for the actual payments.

3632. That knowledge is absolutely necessary for him to check that imprest accountant hereafter?—Yes, to enable him to allow to the credit of the accountant the actual sums expended.

3633. Sir

3633. Sir *Henry Willoughby.*] If anything went wrong, when would it be detected?—As to any sub-accountant, it would be detected at the time of rendering his account; but there are regulations in the departments as to the examination of the Paymaster's balances; and there are returns; he does not get all his money for the quarter at once; he will get probably, if supplied by a regimental agent, an account every week or every fortnight, for the expenditure of the ensuing fortnight.

3634. When would any irregularity be made known to Parliament?—No excess upon the vote would be made known until the account was finally closed.

3635. At the end of two years?—At the end of 12 months after the expiration of the year.

3636. Mr. *Wilson.*] It would be upon the public service the appropriation of those individual votes; there is a clause in the Appropriation Act which empowers the Treasury to authorize the departments to spend the surplus of one vote for the deficiency of another; it would be only as to the aggregate votes that any excess would be shown?—It would be the excess upon the aggregate of the votes taken for those servicer.

3637. Mr. *Hankey.*] With regard to those balances to which you have been referring as sums in excess, I think this book shows the balances on the total number of different accounts every day?—Yes.

3638. This amount (*pointing to the book*) is agreed with the balance at the Bank of England every day?—Yes, precisely.

3639. *Chairman.*] How are the army votes taken; does not the army vote include the commissariat, the militia, the navy, and the ordnance votes?—The votes are separate; but in the Appropriation Act the general amount quoted at the commencement of the clause for the army embodies the whole of those votes, but there are separate votes for the different army services, for the commissariat services, and for the militia; but in this particular year 1855-56, there was a large transfer for the embodied militia to the Army Estimates; it was not voted on the Militia Estimates, as it usually is at the end of every session; the vote for the embodied militia was 3,813,000 *l.*

3640. How much was expended?—I suspect that the expenditure is not completed; but I can give the Committee the amount issued in the year; the actual cash issues in the year were, after taking out all the credits, 2,727,952 *l.*

3641. Those were issues from the Exchequer, were they not?—They were actual payments by the paymaster; the payment was 2,727,952 *l.*; but there may be further payments coming in on account of that year which we have no means of knowing the amount of at present.

3642. Sir *Henry Willoughby.*] Where is the balance?—It will have to be accounted for to Parliament upon the balance-sheet prepared next year for the army, but not till 1857.

3643. Mr. *Williams.*] And the vote was for 1855, was it not?—Yes; for 1855-56.

3644. Sir *Henry Willoughby.*] Are the Committee to understand that that is the whole sum that has been drawn out of the Exchequer?—Yes; up to the 31st March. There may be further sums payable on account of that year.

3645. Mr. *Henley.*] What was the whole of the army vote for the year 1855-56?—£. 18,789,532.

3646. How much of that has been issued from the Exchequer to the Paymaster?—The sum drawn out from the Exchequer in the year was 17,395,059 *l.*; there was a balance on the preceding year, of course, which has been drawn out. That 17,000,000 *l.* includes the balance of the previous year and the sums drawn out of the grants of the current year.

3647. That is not altogether on the vote of the year, but upon the votes of the previous year as well?—Yes. The sum remaining in the Exchequer at the commencement of the year was 875,486 *l.* for the army services proper, and 119,573 *l.* for the commissariat.

3648. What was left at the close of the year?—The amount left upon the two accounts was 2,389,532 *l.* How much of that will turn out to be surplus upon the militia vote, when the account is finally closed, it is impossible to say yet; but no doubt a large portion of it will revert to the Exchequer.

3649. Mr. *Williams.*] But the whole of the militia vote is for pay, is it not?—Principally for pay; there are other heavy charges connected with it; it is for pay, agency, clothing, bounty, and other services.

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3650. How often are the militia paid?—I believe they are settled with like the army, daily or weekly.

3651. There cannot be any balance of any amount left unliquidated?—I judge from this account that there are balances outstanding, for I see in this year a tolerably large sum paid on account of the preceding year.

3652. Mr. *Chancellor of the Exchequer.*] You wish to make a statement, do you not, with reference to the balances?—I stated, in answer to Question 1209, that I believed that the aggregate balances under the new system of the consolidation of the departments were lower than the separate balances under the former system. I said that I thought that any one of those large offices kept a much larger balance than the aggregate balance which is at present kept by the Paymaster for the whole of the public service. On his last examination, Lord Monteagle gave in a statement of the balances of Exchequer credits at the Bank of England to the account of the Paymaster-general, the Treasurer of the Navy, and the Treasurer of the Ordnance on particular quarter days. I do not dispute the correctness of this account, which I have no doubt is prepared with the characteristic accuracy of his department; nor do I complain of the inference which he draws from it. When I said that the separate balances of those offices were larger than the aggregate balances at the present time, I meant to say, *under similar circumstances*; I did not mean, taking the year 1835–6, when the aggregate expenditure for the naval and military services was only 12,000,000 *l.*, that now we could keep the balances as low when the expenditure has risen to 50,000,000 *l.* What I meant was, take two periods at all alike in the amount of their expenditure, and my statement is borne out; I have, therefore, prepared a statement of balances, which I will take the liberty of giving in. I take the most favourable period for the old system, the quarter immediately preceding that in which the Treasury Minute for the consolidation was issued; and it is most favourable for a comparison with the old system, because the annual expenditure at that time for those services was not more 12,000,000 *l.*; moreover, the three offices were under the management of one person, Sir Henry Parnell, who was a great advocate for low balances. It is taken also at a time when the balances were probably lower than the average. The period that I take to compare with that, is the second quarter of the year 1838, when the annual expenditure was about a million more than in 1836; the result of the comparison is that the average balance of the army, taking it day by day for the whole period of three months, striking an average upon the total, was about 101,000 *l.*, and that of the Treasurer of the Navy about 52,000 *l.* The consolidated balance for all the accounts of the Paymaster-general, the average balance daily was only 36,570 *l.*; that was the average balance at the close of each day in the second quarter of 1838. There is one balance as high as 253,000 *l.*, on the 5th of April, but take the whole three months, and divide by the number of days, the average balance was only 36,570 *l.* Therefore the whole service could be carried on with quite as little money as any one of the large services could formerly. This account of the balances I beg leave to hand in. (*The same was delivered in.*)

Vide Appendix.

3653. *Chairman.*] You have seen the correspondence in which the Exchequer complained of the large balances that were kept by each of the departments before the consolidation?—I have; but the period I have selected is after the complaint had been attended to and remedied; that complaint refers to the navy two years before the consolidation. I was in the Navy-office at the time, and it was my duty to overlook those balances, and I kept them as low as I could. I believe that the balances I have taken are the minimum balances that ever existed in the navy; and the aggregate balances with the Paymaster during the corresponding quarter was not two-thirds of the amount.

3654. Do you think that the average balance of 52,000 *l.* was as low as they could go on with?—That was the lowest average balance.

3655. When you had got the navy and two other departments, you could go on safely with a surplus balance of 36,000 *l.*?—Yes; the average surplus balance was about 36,000 *l.*

3656. For the service of the navy?—For the whole service.

3657. Do you mean to say that 52,000 *l.* was not more than was really necessary in the navy?—It is different dealing with one accountant and with several; the navy probably had no larger surplus upon any one of those accounts than we had, but they had several cashiers, and each had a balance; but by working upon

upon a consolidated balance now, it is not necessary to have a larger balance than each of the separate offices formerly held. *W. G. Anderson, Esq.*

3658. Mr. *Wilson.*] That was by the introduction of transfers instead of payments?—Yes, that regulation has materially promoted the reduction of the balances. 7 July 1856.

3659. In all those cases in which you have been asked about postponing the adjustment of these accounts for a few days, did not that arise from the fact that you had money in hand which you were obliged to use in the first instance, which, if you had not used, but had adjusted those accounts earlier, must have led to large unprofitable amounts in your hands?—We could only have adjusted those accounts by drawing money which we did not want.

3660. *Chairman.*] When you talk of balances, do you include in the balance your cash balance?—The Exchequer credit and the cash balances, the drawing and the bill accounts, the whole of the surplus of the working accounts. I do not include the appropriated balances, which we could not touch, such as naval prize and army prize. Before the Committee breaks up, I request permission to add that Sir Charles Trevelyan has requested me to state that, as Mr. Brooksbank's authority has been so frequently referred to, he begged I would lay before the Committee a letter which was communicated to him not long after the Pay-office Minute was drawn; it is a letter from Mr. Brooksbank, addressed to Mr. Lichfield, the senior clerk acting for him in that department, and as it explains Mr. Brooksbank's opinion upon many of the matters which have been under discussion before this Committee, Sir Charles Trevelyan thought it might be useful that it should be handed in. (*The same was delivered in.*) *Vide* Appendix.

Jovis, 10° *die Julii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. James MacGregor.
Mr. G. A. Hamilton.	Sir Henry Willoughby.
Mr. Wilson.	Mr. Cardwell.
Mr. Chancellor of the Exchequer.	Sir James Graham.
Mr. Peacocke.	Mr. Hankey.
Mr. Henley.	Mr. Bowyer.
Mr. Williams.	

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

Charles Vine, Esq., called in; and further Examined.

3661. *Chairman.*] YOU were asked on your last examination with regard to certain fireworks made at the Ordnance. Suppose the audit officer were to make any observation upon that, and to make any objection, which went to the Audit Board, and the Audit were to report, when would that come before Parliament?—It would come before The House when the Report on the Ordnance Account was presented; but I do not think that there is any reason why, if the Treasury saw fit, they should not lay it before The House at an earlier period if The House were then sitting. *Charles Vine*, Esq. 10 July 1856.

3662. In the ordinary course of business, if the Audit-office took an objection, and thought it right to bring a matter before Parliament in their Report, when would that which has happened since April last come to the knowledge of Parliament?—The account for the year ending the 31st of March is laid before The House on or before the 1st of June in the subsequent year; one year is allowed to the department to collect from all over the world the different accounts, to examine them, pass them, and record them in their books; one month to make the account up; and in the succeeding month the Audit Board report upon that account to the Treasury.

3663. Then the account would not come before the Audit Board till April 1858?—Just so.

3664. Does not the Act say that the Audit Board must lay it upon the table at the latest in June 1858?—The Army, Ordnance, and the Commissariat.

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3665. I am speaking of a particular transaction that took place at the Ordnance. As I understand it, it would not come before Parliament in the ordinary course of business from this time till June 1858?—It would be so.

3666. The Navy is somewhat more rapid, is it not?—The Navy account is laid before The House in January. The last Navy account was ordered by the House of Commons to be printed on the 31st of January 1856.

3667. That would come before Parliament at the beginning of the Session of 1858?—Yes.

3668. With regard to another transaction, we understand that the Navy Department performed some services for the Turkish Government, and that the Turkish Government advanced money for the purpose of repaying the service when performed; how would that be checked, or how would it be known to the audit clerk who checks the Navy account?—The receipt of the money from the Turkish Government would be shown in the accounts of the Paymaster-general, and be recorded in the account opened in the ledger of the Admiralty with the Turkish Government; and all the payments which were made on account of the Turkish Government, in respect of that sum so paid in advance, would be traced to that account in the ledger; and when the detailed account for Naval Services is made up, the balance on that account would be shown in the balance sheet which accompanies the detailed account.

3669. Are the Committee to understand that in the Report of the Auditors to Parliament, that transaction would be noticed?—The Report of the Auditors is upon the Parliamentary account, the one directed to be rendered under the 9 & 10 Vict. c. 92; there is no balance sheet attached to that account; that is merely an account of the Votes of Parliament, and the expenditure of the department against those votes.

3670. I do not imply that the auditors would not perform the duties imposed upon them by Parliament. I am asking whether such a transaction such as has happened would be brought before Parliament by the account, and the Report of the Auditors?—I doubt very much whether the Audit Board would think it requisite to notice it; it would be shown in the balance sheet.

3671. Would the officer under your superintendence at the Admiralty think it necessary to report the transaction to the Audit Board?—I think not.

3672. In point of fact, the transaction has taken place. Has the officer brought it before the auditors with a view to bringing it before Parliament?—No, he has not.

3673. Then such a transaction would not appear in the account?—Yes; it would appear in the detailed account, in the balance sheet.

3674. Will you show that, if you have it here?—I have not got it here; that detailed account is not yet made up. I can show the Committee similar things.

3675. Have you any detailed accounts here?—I have not a similar case where the money has been paid in the first instance to a department, but where an advance has been made by a department on account of another Government.

3676. Where provisions and stores have been supplied to French ships of war, the amount has been repaid to the Navy for those provisions and stores?—Exactly so; and the balance sheet shows the amount at the time due by the French Government in respect of stores furnished by the Navy. That is the account for 1852-53, the last account printed. (*The same being handed in*).

3677. This, which I hold in my hand, is printed August 1855, and it is an account up to March 1854?—Yes; the accounts for 1854-55 will shortly be reported by the Audit Board to the Treasury.

3678. This was a case not entirely similar, it being a payment for stores supplied, and the payment made upon the supplying of the stores; there was no advance of money there?—There was not; I know of no other instances where there has been an advance of money.

3679. Mr. *Wilson.*] You have been asked whether the officers of the Audit Board in the Navy or Army Department take any cognizance of the expenditure of the money; do you conceive that that expenditure takes place upon the responsibility of the head of the department, or that the Audit Board had any right to interfere with it?—I consider that the Audit Board have no right to interfere so long as the services are provided for in the estimate; if any monies were paid by the Ordnance, for instance, for a work which was not contemplated in the estimate, the Treasury authority would be required, and it would be shown in an appendix to the detailed account, which is added by the Commissioners of Audit

Audit, showing that there had been no grant for the service, and that payment had been made, and that it was sanctioned by the Treasury.

3680. So long as the expenditure of the public money is kept within the purposes for which Parliament granted it, you conceive that the whole duty of the Audit Board is to see to that; but they take no responsibility as to the expenditure themselves?—I conceive that to be their duty.

3681. You conceive that the department to whom Parliament has granted the money is solely responsible to Parliament for that money?—Yes.

3682. Do you conceive that if the department were relieved in any degree of that duty, and any authority were given the Audit Board for that purpose, of interfering with or directing the expenditure, it would weaken and destroy the responsibility of the department to Parliament?—I consider that it would do so.

3683. With regard, therefore, to the use of money for fireworks, or for whatever purpose, that is a subject for which the head of the department is responsible to Parliament; and if sums were used for the payment of wages, whether it be for fireworks or for whatever other purpose, so long as that labour is directed in that particular way by the head of the department, the responsibility lies between the head of the department and Parliament, and it would not be any part of the duties of the Audit-office to interfere?—No; it would be no part of the duty of the Audit-office to interfere with regard to the fireworks. There are other purchases not of a similar character to those usually charged against the laboratory stores; for instance, erecting sheds, builders' work, ironmongers' work, which, when they come under the notice of the Audit, would not be allowed to be charged against the Ordnance Votes, because the Ordnance Votes were clearly never intended to provide for such sums. Payments of this character have been made, and they have been charged by the Ordnance to an account opened in their books against the Lords of the Treasury for fireworks. The different stores consumed, powder, and the labour employed, cannot, of course, come under the control of the auditors.

3684. That would be an expense which the Treasury would be bound to repay to the department out of the Civil Contingencies, as was stated in the House of Commons, no vote having been taken for that purpose?—Yes.

3685. Then, suppose a portion of powder to be used for those fireworks, that again would be used upon the responsibility of the head of the department, and the money expended for the powder under the head of stores would be passed by the Audit Board without any power on their part to interfere?—Yes.

3686. The whole duty which the Audit Board can perform with advantage to the public service is to see that the expenditure that takes place, takes place under the head of the different services which Parliament has approved of?—Yes; just so.

3687. The use of those stores, or whatever it might be, is the use to which they are applied by the department itself, and it is done on their responsibility alone?—It must be so; it never comes under the notice of the audit.

3688. You have stated as to the fireworks, that certain sheds and other works had been erected which clearly did not come under the head of stores; you would object to that expenditure being made under any Ordnance vote?—Certainly.

3689. And, objecting to that, you would object to the Ordnance department charging it to their votes?—Certainly.

3690. As such, you would require that they should either provide for it by a separate vote, or obtain competent authority for the defraying of that expense?—Yes.

3691. It has been stated that if any irregularity took place in this expenditure of the department it would not appear in any account laid before Parliament until the period at which the detailed accounts are made up. Will it not be the duty of the Audit Board at once to apprise the Treasury of any irregularity in the applications of money in any department as soon as it took place?—They invariably do so.

3692. You regard the Treasury as the legitimate check upon the application of the monies to their proper purposes in the other departments?—Yes.

3693. According to your experience, have you found that when a representation has been made to the Treasury in respect to the misappropriation of monies, the Treasury has usually almost invariably supported the Audit Board in the view they took of their Parliamentary responsibility and duty?—I think they have always done so.

3694. Therefore you find that the present system provides, not a Parliamentary check at the end of 18 months, but a Treasury check and a Parliamentary authority almost concurrent with the Treasury which takes place?—It does so.

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3695. The Audit Board furnish to the Treasury a monthly account and a concurrent audit, which takes place in each department?—No; if there was any irregularity we should point it out, and report to the Treasury.

3696. In any case of any irregularity, you report within a month?—Yes, within a short period.

3697. If an irregularity were at once put right by a department, there would be no necessity to report to the Treasury if the thing were put right?—None whatever.

3698. As to the payment for the Turkish Government, is it not a matter of every-day occurrence that the Naval department, and in some instances the Army department, make advances on behalf of foreign governments abroad, for various services?—Yes.

3699. And those advances are made on the credit of the foreign government?—Yes.

3700. And they are finally adjusted by payment from foreign governments, are they not?—They are.

3701. Will you just state the nature of those services which are of constant occurrence with foreign governments, for which we make advances?—Suppose a French ship of war to meet an English ship of war, and to require provisions, the English ship of war would furnish them. In another case there was, I think in New South Wales, a French ship of war requiring money, the money was advanced, and has been claimed from the French Government.

3702. Is it not constantly the habit of foreign ships to put into English ports, requiring refitting or repairs and coals?—Yes, and for a variety of other purposes.

3703. There is never any hesitation in supplying those stores on the credit of a foreign government?—None that I am aware of.

3704. Those matters are always adjusted afterwards, are they not?—Yes.

3705. Credit being given in the mean time by the English Government to the foreign government?—Yes.

3706. The only distinction between that transaction with the Turkish Government and those commonly occurring transactions, is that in that case, the Turkish Government paid money in advance, and did not require any credit from the English Government?—That is the only difference between them.

3707. And therefore when the Turkish Government had paid a certain sum of money into the hands of the English Government, to be applied in this particular way, no public monies were used for that purpose?—None.

3708. Therefore no public monies being used it did not necessarily become the duty of the officers of the Audit Board to take immediate cognizance of those payments?—I think not.

3709. But all those transactions must necessarily pass through the detailed accounts, must they not, because they pass through the Paymaster's account, and enter into the transactions between the Navy and the Paymaster?—Every one of those transactions comes before the officer of the audit; every voucher comes before him for the payments on account of those services; he would not allow any payment on account of the supplies for the Turkish Government to be charged by the Navy against naval votes, but he would trace that payment through all the books to the account of the Turkish Government in the ledger of the Admiralty; he would not admit any misappropriation of that money.

3710. Then this transaction would come before Parliament in the detailed annual accounts in the same way as transactions of a similar nature, when the English Government give credit to a foreign government, as you have described?—In precisely the same way, only that the balance would be on the other side; it would be due, perhaps, by the Navy, instead of due by a foreign government.

3711. Therefore you say that the Audit-office would prevent this money being applied to any other purpose than that for which it had been placed to the naval account, and that the Pay-office could not apply to Turkish services any amount which had been placed to their credit with the paymaster?—We should see that every payment made on account of the Turkish Government was charged to that head in the ledger of the Admiralty.

3712. Mr. *Williams.*] What is the system adopted by the Audit-office in auditing the army accounts?—The system, as I explained in my first day's evidence, is this: we see every document upon which the books are posted; we see that that document bears upon the face of it evidence of examination and allowance by the proper officer before it can pass into the books as a final charge against the votes.

3713. Does the examination take place by an officer of your department in the department for war?—Yes, it does.

3714. What report is made by those officers to the Audit office?—A report is made monthly of the state of business in the department, and if they have any observation to make upon the account, it is invariably sent in writing.

3715. Does any further examination of those accounts take place in the Audit-office itself?—None.

3716. Do you see any great advantage in sending officers from the Audit-office to audit accounts in the War department when the clerks in the War department themselves might tick off those matters and look to the vouchers?—The two audits are distinct, the audit in the War department is a detailed one, but the audit conducted by the audit officers at the War department is an audit of appropriation, in conformity with the Act of 9 and 10 Victoria, c. 92.

3717. Would it not be possible to have the books of the War department and the vouchers sent to the Audit-office, and there to be examined?—I think not, without very great delay.

3718. What would be the cause of the delay?—The books are in daily use; the audit is a daily audit; the books could not be sent to the Audit-office until the termination of the year.

3719. They examine, I suppose, the entries in the book with the vouchers laid before them?—They do.

3720. And they tick off the book, do they not?—It is not merely ticking off the book, it is to see that the document upon which the entry is made is a proper document upon which a charge against the votes ought to be made.

3721. Have they any means of checking the book besides merely ticking off?—Certainly; the voucher itself, that is the document from which the entry in the book is made, is placed before the Audit-office officer.

3722. Suppose an entry is made in the books of the War-office, and ticked off by any officer, would the officers of the Audit department be able to discover it?—Yes.

3723. How?—They would know perfectly well they had not checked the vouchers; there is a daily audit, and they know perfectly well what vouchers they check.

3724. Is there any evidence on the face of the examination in the books that they have seen a voucher for each item?—The voucher is marked as examined by them.

3725. I am speaking of the book?—The vouchers are compared by them with the book.

3726. May not an entry be made in a book by an officer of the War department, and ticked off as having been passed by the auditor without the audit officers having the means of discovering it?—I consider that impossible; every voucher passes the audit officer, and he checks them through the books; the first records are checked through every book until they are finally recorded in the account which is laid before Parliament; there is not a single item in the books which is not checked by the audit officer.

3727. Is there clear evidence on the face of the entries in the books that the auditors have passed those entries having vouchers to correspond with them. For instance, suppose opposite to the item the audit officer were to put his initials?—He affixes his initials to the vouchers themselves, and compares them with the books, and he marks the book so that he knows perfectly well what he has checked.

3728. Does he put his initials opposite the entry, or tick it off?—The entries are so numerous that he would not have time to put his initials to each.

3729. Mr. *Henley*.] With regard to the audit officers, if there was any item on which a doubt arose, what would they do then?—It would be reported in writing by the officer in the department, and would be brought before the Commissioners of Audit, who would then decide whether the case should be reported to the Treasury or not.

3730. Is that report made from an officer in the War or Naval department to the Board of Audit, and is it a matter of record?—It is.

3731. Does it appear in the query books at the Audit-office?—Those observations are all numbered by the examiner, and all those observations are laid before the Commissioners of Audit.

3732. And the production probably of a portion of them would put this Committee in possession of the nature of the doubts and objections which arise from time to time?—They would do so; they are chiefly charges against one vote, when the Audit-office consider they ought to be properly charged under another head.

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3733. That is the ordinary nature of the objection?—Principally. The objections as to principle are few in number.

3734. Following up the questions which have been addressed to you by an honourable Member as to the daily audit, is there at the end of the month, quarter, or year, any certificate in the books showing by what officer those various accounts had been audited; any written document, or in what way does it appear upon record that they have been so audited?—A report is made monthly.

3735. But upon the documents themselves, examined and audited, is there any signature or other record, assuming that the officer was to die, by which anybody else would know that they had passed under the examination of A. or B.?—The voucher bears his initials.

3736. I am not speaking of the voucher, that is, merely a voucher that had been entered; but in the books themselves, which are the accounts, is there any entry in them to show who has audited them, and to show to what period they have been audited; suppose a man to die at the conclusion of a week or any other period?—The period up to which the books are examined is invariably shown in a monthly return made of the state of the business in the department.

3737. There is no entry in the books themselves showing up to what time they have been audited?—No further than the tick which is put to the entry in the book.

3738. That is a tick that an officer would know, but it would be no evidence to satisfy anybody else?—I should certainly know, from his monthly return, up to what date the books had been examined; that return contains a list of every book and the date to which that book is posted by the department, and the date to which it is examined by the officer of the Audit Board.

3739. That is a recital, in fact, of what has been done?—It is.

3740. Then there is no evidence upon the account itself that it has been so done?—Not in the books.

3741. Neither at the end of the year, or quarterly, or at any other period?—There may be his initials to certain documents to show that he has checked them.

3742. You have stated, that from day to day the books are audited and examined?—Certain books; the journal and the ledger are made up monthly, and they can only be examined monthly.

3743. What I want to know is, now that we know that those books are examined only monthly, whether there is any entry or record upon those books to prove as a matter of fact that the officer A. or B. who has examined them, has examined them up to a certain period; is there a responsible signature or entry to prove that?—The ledger would show it, because the folios of the journal are inserted in the ledger by the audit officer.

3744. Are there his initials, or any signature?—There is not.

3745. Nothing of that kind is done?—No.

3746-7. If the audit officer was out of the way, it would be next to impossible for anybody to prove that those figures were inserted by him?—If you were perfectly acquainted with a person's handwriting, you could tell it.

3748. Mr. *Wilson*.] If any doubt arose, reference to the vouchers would prove the whole thing at once, would it not?—It would; the vouchers upon which the books are founded; we do not make any memorandums in the books of the departments; I think the departments would complain of us very much if we made memoranda in their books.

3749. At no period, neither monthly, quarterly, or annually, is there any entry in the chief books of the various departments to show that they have been audited by A. or B. signing those books to show what officer is responsible for the audit?—There is not; the same officer has always remained at the department.

3750. Mr. *Chancellor of the Exchequer*.] Has any question ever arisen as to the period up to which the audit has been carried?—Certainly not; the vouchers show that they are traced into the books, and from the first entry the check is followed up until it forms a final record in the account.

3751. The documents which show the proceedings of the Audit Board are the vouchers?—Yes.

3752. Those remain in the possession of the Audit Board?—No; they are with the departments.

3753. But the Audit Board put their signature or mark upon every voucher when it has been examined, do they not?—Yes.

3754. Mr. *Wilson*.] Every month the officers auditing the books send a return to

to the Audit Board of each book that has been audited, and the date up to which it has been audited ?—Yes,

3755. If the officer died, and if any doubt arose as to any particular entries having been audited by him, reference to the voucher would show whether it was so or not ?—It would

3756. Sir *Henry Willoughby.*] Suppose an officer failed in his duty, what means have you of discovering his delinquency ?—If a man is a rogue, and chooses to pass vouchers without checking them, I have no check at all.

3757. You entirely therefore rest upon the honesty and good faith of that officer ?—I think it must necessarily be so.

3758. What is the character and style of that officer; is he a man of high standing in the department ?—He is the junior examiner in the Audit-office.

3759. What is his position; is he above a clerk ?—The office consists of inspectors, senior examiners, junior examiners, and assistants.

3760. You say he is a junior examiner ?—Yes.

3761. What number of years has he been in the Audit-office ?—I can hardly answer that question.

3762. Mr. *Wilson.*] Is it not your duty to go round those offices and superintend those officers whose daily duty it is to check these accounts ?—Yes.

3763. If there were any dereliction of duty, would not you discover it ?—If he initialed vouchers which he had not looked at, no inspection could check that.

3764. Mr. *Williams.*] Suppose a fraud were attempted to be committed in the War department, and they were to make regular entries in the book and tick them off in the same manner as the audit officer would do, would there be any means of discovering such a fraud through the Audit-office ?—Yes.

3765. How ?—The vouchers in support of it would show that.

3766. How could a clerk, when he looked at an entry, discover that it was the entry with which he left off ?—The voucher would show him that; the vouchers are all examined by him, and if there was no voucher for the entry he would not pass it.

3767. Supposing it were ticked off in the same form, by a clerk of the department, what means would the auditor have of discovering that the entry was made without a proper voucher ?—He would know up to what date he had examined the voucher, and that he had not examined the voucher for that date.

3768. There may be many items under the same date; suppose only one item were added ?—I think he would discover it.

3769. *Chairman.*] Do you consider that your officers are the auditors there ?—No, they are the officers of audit; the auditors are the Commissioners of Audit.

3770. Is the audit conducted by your officers, or by the officers of the departments ?—By officers under me.

3771. I understood that the detailed audit was performed by an officer of the department, the War-office, the Ordnance, and the Admiralty, and that your officers were there for Parliamentary purposes; is that correct ?—The detailed audit is conducted by them; what is termed the appropriation audit is conducted by the Commissioners of Audit.

3772. You stated, did you not, that if there is any irregularity you report it to the Treasury; do you report direct to the Treasury, or does it go through your own department ?—The report would be made by me to the Board, and the Board would then direct upon my representation a report to be made to the Treasury.

3773. Of what nature are the objections taken, and the report to the Treasury ?—There is one in the last naval account.

3774. From time to time ?—Yes.

3775. Before the end of the year ?—Yes.

3776. What is it ?—Take the case of the army. A sum of money was carried to the credit of a vote which the Audit-office considered ought properly to have gone to the Exchequer, but as the votes had been taken with this deduction, and it was opposed to the Treasury Minute, the Audit-office thought it their duty to report the case to the Treasury.

3777. The deduction ought to have been repaid into the Exchequer ?—It ought not to have been taken as a deduction on the Estimates; but that being so, there was no means of introducing it into the account other than in the way in which the War department had done it; but the Audit-office reported the case to the Treasury.

3778. If it appears, in the course of an examination, that a department is exceeding

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exceeding a particular vote, is that reported to the Treasury at all?—If the auditors were able to say so.

3779. There was a sum which was voted for the disembodied militia; if that sum was not expended for the particular service, would there be any means of your clerk ascertaining that?—That always is ascertained when the account is made up, but it is almost impossible to ascertain that before the whole of the accounts are passed, and recorded in the War-office books.

3780. Suppose we take any one of those particular votes for the army; if that has been exceeded is it not immediately reported to the Treasury?—It is impossible to say whether it has been exceeded or not till the whole of the expenditure has been recorded, and the accounts closed.

3781. Should any particular vote appear to have been exceeded, would you report it?—Yes, when we reported the account.

3782. Not before?—It is impossible to say; the vote may be exceeded in one month, and the next month there may be a credit to that vote, which may bring it within the limits of the vote of Parliament.

3783. That is exactly what I wanted to know; you would not think it necessary, suppose apparently in one month there was an excess, to report it?—Not until we reported the account; the final report.

3784. In point of fact, not until it was all set right?—We should not report it until the account was made up.

3785. That is the final account?—Yes.

3786. You stated, with regard to the work done for the Turkish Government, supposing there were repairs done for the Turkish Government for a vessel, that would be so much for work and so much for stores: how could you distinguish the wages of the men employed in repairing a Turkish ship from any other?—If there was any work performed, or stores delivered to the Turkish Government, the entry in the books of the Admiralty would be from the returns furnished by the Dockyard.

3787. It would be from their books, but in the estimate, rather than from the actual account, would it not?—I do not know how that is made up in the Dockyard; it would come from the Dockyard, but the audit would have no cognizance of that before they had a declaration, as it is termed, which is sent in by the storekeeper or the director of victualling.

3788. With regard to the War-office audit, will you explain to the Committee previously to the last arrangement, what were the War-office accounts that were audited at the Audit-office; there was the Commissariat account, was there not?—Not the Commissariat account, but the payments which were made for the Commissariat services.

3789. I do not quite understand you?—The Commissariat account embraces the whole of the banking transactions abroad; that account amounts to about 11,000,000 *l.*, and that account includes the payments which are made for Commissariat services, which amount only to about 1,482,000 *l.* The Commissariat service includes the pay and allowances of Commissariat officers' provisions, forage, fuel, light, and land and inland water transport of the army.

3790. Are those audited by the auditor?—Yes, the appropriation audit.

3791. With regard to the account of the non-effective services of the army, was not that audited by the auditors?—Yes.

3792. Where is that audited now?—By the army.

3793. That has been transferred?—Yes.

3794. With regard to the effective services, were they not, to a certain extent, audited in the Paymaster's accounts by the Audit Board?—The order given by the department to pay any individual, and the receipt of that person for the money; the banking account.

3795. It was audited, was it not?—Yes.

3796. What change has taken place in that?—That is examined in the War department.

3797. With regard to the Commissariat department, the Commissariat Services account, the non-effective account, and partially the effective account of the Army, have been all transferred?—Not the effective account.

3798. Partially, I said?—Yes, that portion of it which is the banking account.

3799. There was some account audited by the Audit Board, was there not?—A payment made by the Paymaster-general in respect of an order given, either by the War department or the Admiralty. Suppose an order was given by the War department to pay A. or B., or order, so much money, and the Paymaster-general paid

paid upon it, that document was transmitted with his account to the Audit-office, and was examined there.

3800. That is now transferred?—Yes.

3801. When we talk of the Commissariat service account being transferred, there was a much larger transfer by the late arrangement than that one account. It is not correct to say that only the Commissariat service account has been transferred; for not only that, but the non-effective service of the army, but a part of the examination of the effective service account has been transferred?—It has.

3802. Have they transferred it with regard to the navy?—They have not.

3803. It remains with regard to the navy?—At present.

3804. It has been transferred with regard to the army?—Yes.

3805. Was there any inconvenience formerly in consequence of the non-effective service accounts being examined by the auditors?—I am not aware of any.

3806. Was there any unnecessary delay?—I can give you no opinion about that, because I was not acquainted with the examination of the non-effective portion.

3807. You have not heard of any complaint?—No.

3808. Was there any practical inconvenience, do you know, from the audit of the Commissariat account by the auditors?—None that I am aware of.

3809. As it appears to me, with regard to the army services previously to this new change, the greater part of those accounts were audited at the Audit-office, and not at the Army department?—No; the whole of the documents upon which those orders to the Paymaster-general were given, were examined by the War department.

3810. What was the vote for the whole of the Army service in 1853-54?—The effective and non effective services is here, 6,503,756 *l.*

3811. Does that include the Commissariat service?—No; the Commissariat is a separate estimate.

3812. It used to be included under the army?—Yes; but it was a separate estimate taken by the Treasury.

3813. What was the estimate?—About 557,000 *l.*

3814. Of that how much was audited, in the old times, at the Audit-office?—The non-effective services, 2,014,964 *l.*; militia non effective, 65,650 *l.*; the Commissariat effective, 511,887 *l.*; and the non-effective services, 45,239 *l.*

3815. That makes 2,600,000 *l.*; that was always audited fully at the Audit-office?—Yes.

3816. To a certain extent there was an audit of the effective?—No, not of the effective, further than the examination of the order to pay.

3817. There was some observation of the effective at the Audit-office, was there not?—In the navy, for instance, a contractor furnishes his account, and that account is examined in detail by the navy, and when it had gone through all the forms necessary, an order to pay the contractor is given by the navy; that order, when presented to the Paymaster-general, is paid; that order, and the receipt of the person so ordered to receive, goes to the Audit-office. I can hardly call that an examination of the effective.

3818. It is not an audit in detail, but a certain examination which has been transferred to the Army department?—It is an audit of the banker's account of the army.

3819. But, whatever it was, it has been tranferred to the Army department?—Yes.

3820. What was the state of the Ordnance; were those accounts audited?—The same as the army.

3821. Before the change?—Yes.

3822. Were they audited by the Audit-office?—The non-effective; the banking account of the Ordnance was also examined.

3823. Have you read the memorandum of Mr. Romilly, the Chairman of the Board of Audit. Mr. Romilly says, "In all cases, however, in which the rules emanate from or are sanctioned by the Treasury, I see the importance of a body, independent of the War department, ascertaining for the Treasury that their rules have been duly observed, exactly in the same way as it is right that Parliament should know that its directions have been carried into practical effect. But even in these cases, to do this effectually, a minute examination of the accounts

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accounts will, for the most part, be necessary; and it will, I apprehend, be difficult to separate that part of the expenditure which is incurred under rules established by the Secretary of State alone, from that part which is subject wholly or partially to Treasury rules." Mr. Romilly in that case, I apprehend, foresees the difficulties in the present audit, and of ascertaining whether the regulations of the Treasury are carried into effect. Do you think that the present check of the Audit-office upon the War department is sufficient to carry out that?—No.

3824. Is there any means of ascertaining whether the Treasury rule is by anybody carried out?—Not without a much more detailed and exact audit than at present takes place.

3825. Then there is no check upon the Admiralty or the War-office as to carrying out the Treasury rules except the good faith of the department itself?—No.

3826. Sir *James Graham*.] Are you an inspector both of the naval and military balances?—Yes, I am.

3827. How long have you discharged the duty of inspector?—Upwards of two years.

3828. You are cognizant of the mode in which the Naval and Military departments keep their books?—I am.

3829. Is the mode strictly uniform?—The system is uniform in all the departments.

3830. Is the form of the account the same?—It is, except in some minor details.

3831. With respect to the details which you call minor, what is the variation?—In the form of the abstract books.

3832. Who has been consulted with respect to that variation in the form?—I am not aware.

3833. You do not know by what authority that variation has been introduced into the Army account?—I do not.

3834. Which do you consider the better form, the naval or the army?—The naval decidedly.

3835. And have those variations in the form of army accounts taken place from time to time since you began the inspection?—No, they have not taken place since I began.

3836. You found that variation existing when you first began the examination?—Yes, I did.

3837. Though, in point of detail, you say there is a variation which you think not advisable, with respect to the change as relates to the army, still in principle are the accounts kept in the same manner?—They are.

3838. Is the practice of keeping the account the same as to double entry?—It is.

3839. Then though you find a change introduced into the army accounts, you cannot say who decided upon the changes which have been made?—No, I cannot.

3840. You adhere to your statement that those changes are not an improvement in the form of keeping the account?—I will not say that with regard to the department, but there is more work in the audit.

3841. Does the strict system of double entry, as established in the navy accounts, assist the business of the audit?—Materially.

3842. And any variation in detail, therefore, in your opinion, impedes the system of audit?—Yes, I think so.

3843. That opinion is confirmed by a comparison of the naval and military accounts as now existing, in which there is this variation in the military that you have specified?—Yes.

3844. That renders the audit more difficult, does it not?—Yes.

3845. Does it render it less perfect?—No.

3846. But more difficult?—Yes.

3847. Had the Audit Board been consulted before the changes were made, and if it had been guided by your advice, the changes would not have taken place?—No, they would not.

3848. Do you say that in the last two years no further changes have taken place?—None.

3849. Is your concurrent audit any security for the preservation of the improvements in a system of account when once established?—I do not consider that the Audit-office can interfere with the arrangements of a department for keeping their accounts,

accounts, provided that the system does not interfere with the application of money chargeable against the Votes.

3850. If you saw any imperfection, from your experience of the mode of keeping accounts in the navy or the army, would it be your duty to point out that imperfection to the Audit Board?—No.

3851. Without having so reported, are you, from your experience, cognizant of any material imperfection in the one or the other?—I am cognizant of no imperfection at all in the naval system: I consider the system perfect.

3852. Your experience of the naval accounts, then, leads you not to form an opinion there is a necessity for any change?—I think there is none. I think the system of naval accounts is capable of any expansion; and I think that is clearly shown by the fact that the naval account was rendered to the Audit-office within the time prescribed, notwithstanding the enormous expenditure consequent upon the war.

3853. It has borne the test of great expansion during the war, without any interruption of the clearness of the account?—It has.

3854. Has the posting been regular?—Quite so.

3855. And the ledger kept close up?—Close. The record is so systematic, that it affords the audit the greatest facility.

3856. So far as the rules of the Audit Board go, as to the concurrent audit, you have no difficulty in carrying it into full effect?—None whatever.

3857. In answer to certain questions put to you at the close of your examination by the Chairman, you indicated an opinion that the audit you were allowed to carry on was not so strict or so searching as you thought desirable. What are the changes that you would suggest?—I do not think it desirable to go further, because I think that the advantage of a more searching audit would be more than counterbalanced by the increased labour and expense which would be necessary to carry it out. I think the departments may be safely entrusted with that portion of the audit.

3858. You would not suggest any alteration with reference to the audit, considering how desirable it is that those large executive departments should act with promptitude in the exercise of their discretionary power, subject always to the control of the concurrent audit?—I would not suggest any change.

3859. Then some breach of uniformity, before you commenced your inspection of the system of accounts in the two great departments of the Navy and Army, has taken place through changes in the details?—Yes; but that change has in no way impaired the accuracy of the record.

3860. Has the consolidation of the great army account consequent upon the change of system as to the Board of Ordnance been carried into effect in the books?—The two accounts, that is to say, of the Votes, similar to those of the Army and Ordnance, are separate; the accounts of those votes, which assimilate to the old army votes, are kept at the Horse Guards; those which are similar to the Ordnance are kept in Pall-mall; the two will be recorded together in one account at the close of the year. But I should consider that it would have been far better to have had the whole establishment under one roof, with one set of books.

3861. A complete fusion of accounts has not taken place, so that the army account shall correspond with the navy account?—Not quite; there are two sets of books, one at the Horse Guards and the other at Pall-mall.

3862. Is not that contrary to the principle of book-keeping, and also quite at variance with the simplest and most correct forms of account?—The result will be shown the same, because the whole of the transactions of the Ordnance will be recorded at the end of the year in the army accounts.

3863. But since the fusion of the two departments has taken place, would it not, on every principle of accounting, be most desirable that the fusion of the accounts also on one system of book-keeping should take place?—Yes, decidedly.

3864. And that two sets of books should no longer exist?—No.

3865. And there should be one great ledger for the army, as there is one great ledger for the navy?—Yes.

3866. And the extent of the transactions in the army would be no bar to the fusion, considering the extent of the transactions in the navy?—None whatever.

3867. Therefore, upon every principle of book-keeping and simplicity of accounts, the fusion of the accounts should be as complete as the fusion of the establishments is?—Yes.

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3868. Is not now the time to make that arrangement?—Yes, I should say so.

3869. If it be postponed, will not the change become more difficult as the transactions in the two different branches multiply?—I am not prepared to say that.

3870. Upon the whole, you would say that now is the time when the thing is desirable?—Yes, I should say so.

3871. Would not the establishment of two sets of books in one department of expenditure be a retrograde movement instead of a progressive one, looking at the example of the navy?—Yes.

3872. There were formerly three or four sets of books in subordinate naval departments, which it was the great object in 1831 to abolish, and to open a common ledger, and one system of account, was not that so?—Yes.

3873. Time and experience have shown that it was not only feasible, but that it was a satisfactory arrangement?—Yes.

3874. Judging from experience, and the success of that arrangement, would you not now recommend the complete operation of the same system as to the army accounts, the Army and Ordnance being united?—I would.

3875. And when that shall have been done, would you say that the accounts of the navy on the one hand, and of the army embracing the ordnance on the other, would be established on a satisfactory footing?—Decidedly so.

3876. And as relates to the audit, the system of double entry gives every facility you think to the system of concurrent audit as now carried on, so far as is consistent with the fair play of discretionary power, subject to the control of the concurrent audit?—I think so.

3877. Mr. *Henley*.] You have stated in answers to questions just put to you, that in the Army department the accounts at present are kept in two different places; one at the Horse Guards, and the other at the Ordnance?—I did.

3878. They being branches of a great establishment in two different houses, that is no reason why there should not be one set of accounts?—It would be I think extremely inconvenient to have a branch in Pall-mall and a branch at the Horse Guards, and only one place where the accounts were recorded.

3879. Is not part of the naval business carried on at Somerset House, and part of it at the Admiralty?—Only the superintending part of it at the Admiralty; the whole of the cash accounts and the record of the accounts is kept at Somerset House.

3880. Why should not one part of the business be carried on at Pall-mall and the other part at the Horse Guards, and why could not they have one superintendence, and one set of accounts, the same as at the Admiralty?—So they could, if they were placed under one roof.

3881. A portion of the naval business is carried on at Somerset House, and the superintendence is at the Admiralty, and why cannot the same matters be carried on at the Army department, though a part of the business is transacted in two different houses?—The cases are not similar. While a record of the accounts of the navy is kept at Somerset House, in the army a portion of the business is at the Horse Guards, and a portion at Pall-mall, and the superintendence is at the War department in Whitehall.

3882. Why could not the whole of those accounts be kept in one of those places as well as in two?—That is what I would suggest that they should be. I should very much prefer their being under one roof.

3883. Sir *James Graham*.] Everything relating to expenditure and accounts in the navy is conducted at Somerset House, under one roof?—Yes.

3884. With regard to the expenditure in the army it is conducted under two roofs?—It is.

3885. And so is the accounting?—Yes.

3886. Sir *Henry Willoughby*.] Assuming that the Army and Ordnance expenditure were massed together, the number of heads of appropriation would be reduced nearly one-half, would it not be so?—I think not; not quite to that extent.

3887. But to a very considerable extent?—Yes.

3888. Does it give you any facilities in your office having the appropriation classified in very minute portions?—It would give no greater facilities; it is of no moment to the audit whether the appropriation is under several or under few heads, the audit could be carried on just as easily.

3889. Are the financial accounts for the year ending the 31st of March 1856 audited?—

audited?—No, they are not; the accounts to be received from foreign stations up to March 1856 cannot have reached this country.

3890. I understood you to say that the vast expenditure of the war had been successfully audited?—I referred to the naval account for the year 1854-55.

3891. I am only referring to the Army and Ordnance account?—The Army account for the year 1854-55 has not been yet transmitted to the Commissioners of Audit; the whole of that account has been examined as far as it is entered in the books of the War department. The Ordnance accounts and the Navy account for the year 1854-55 have both been delivered. The Navy account has been printed and is before The House.

3892. Then a very small portion of the accounts for 1855-56 has been audited?—A large portion. It is a daily audit; almost the whole of the expenditure which has been recorded in those books has been examined and audited.

3893. Parliament voted 6,766,268*l.* for the transport service; has that sum been audited?—Almost all that has been passed to account in the books of the Navy has been examined and audited.

3894. Can you state what balance there is, if any, upon that sum unexpended?—It would be impossible to say, unless we had the whole of the accounts in.

3895. Then that fact is not known?—It cannot be until the accounts come in.

3896. Those accounts may not come in for one year?—No; it depends upon where the expenditure has been incurred; it may have been incurred all over the world.

3897. Therefore, it cannot be said that the account of the expenditure in that year, ending March the 31st, 1856, is known?—No.

3898. That will apply to any other item, will it not?—It will.

3899. *Chairman.*] What is known is the sum that is issued from the Exchequer as to each vote, and the sums paid by the Paymaster as to each vote within the year?—Yes; and also a portion of the expenditure which is incurred through the accountants of the department, which has been examined and passed to account in the books.

3900. But the finally audited account for the year cannot at present be ascertained?—No.

3901. Mr. *Wilson.*] And with that view Parliament has given eight months to the Navy, has it not, to render their accounts?—Yes; and 12 months to the Army, Ordnance, and Commissariat.

3902. For the purpose of producing their finally audited and adjusted accounts?—Yes.

3903. Mr. *Henley.*] Is there any reason why both the Army and the Navy departments should not be limited to the period of eight months?—Yes, I think there is a very good reason for not doing it. The whole of the naval expenditure abroad is incurred at seaports from which there is frequent communication with England; while the troops in the various colonies are frequently at a distance from head quarters, and the accounts have to be collected from various places, and it is some time before they can be sent home. I think that the Navy have much greater facilities for getting their accounts.

3904. Is it not practicable by any alteration of the present mode to bring the Army accounts to audit within the same time as the Navy accounts?—I do not think it is practicable to make up the Army account within the same time, without excluding from it a great deal of expenditure which has been incurred abroad.

3905. Sir *James Graham.*] And which, to frame an accurate account, it is very desirable to include?—Yes.

3906. Mr. *Wilson.*] And without which the account would not be accurate at all?—It would not.

3907. Sir *Henry Willoughby.*] How do you know, for instance, what is for the transport service?—We see all the documents upon which entries in the books are made, and we see them carried to that head in the books of the navy; and we should not allow a payment for the Transport service to be carried to any other head, without bringing it under the notice of the Commissioners of Audit.

3908. Sir *James Graham.*] A partial severance of the transport branch from the general naval department took place at the commencement of the war?—Yes.

3909. How did you arrange your daily audit of the Transport service when

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that partial severance took place; did you vary your system of naval audit in any degree, or not?—No; the vouchers in support of the payments for the Transport service were recorded in the books of the Navy in the same manner as the expenditure on account of any other vote.

3910. The principle so established was easily capable of expansion, even when that partial severance took place?—Yes.

3911. And it was satisfactory, in your judgment?—Yes.

3912. *Chairman.*] Would there be any difficulty in furnishing, at the end of the financial year, an estimate of the outstanding claims with regard to the navy? Suppose an account were to be laid before Parliament of the sums actually paid up to the 31st of March, and an estimate of the sums still remaining outstanding, could it be done without much difficulty?—That is a question that I think the Accountant-general of the Navy should answer.

3913. Mr. *Hankey.*] Do you not think that after a certain time it would come to the same thing, in showing to Parliament the expense of one year, if you were obliged to return the accounts within eight months for the army; because, though a certain number of sums would still remain unpaid during those four months, that would be taken out of the period which you have now to complete them. It must be a matter of very little importance, as far as Parliament is concerned, whether the payment was made exactly during one part of the year or another; eventually you would equally give the total payment during one year?—I think it would very materially affect a comparison of the expenditure against the estimate.

3914. Sir *James Graham.*] Is it not the great object of an account that it shall be an accurate representation of the facts?—It is.

3915. And therefore no account can be said to be perfect for a year which does not represent all the transactions of the year?—It cannot.

3916. Therefore a change not bringing everything which took place within the year to account might be just as well done on the 31st of March, giving the latitude of eight and twelve months respectively before the final close?—Yes; you would presume that you left out of one year just as much as you did out of the next.

3917. It would cease to be an account, would it not?—Yes; it would destroy the value of the account.

3918. Mr. *Wilson.*] And entirely destroy any comparison with the Parliamentary appropriation?—Yes, I think it would entirely destroy any comparison with the estimate.

3919. It would give the average expenditure for each department for a number of concurrent years; but that average expenditure, taken for any one year, would have no relation to the votes for that year?—None.

3920. Sir *Henry Willoughby.*] Is there no inconvenience, with regard to the accuracy of the expenditure, in reducing the number of the heads of appropriation?—It will not be shown in the abstract account which is rendered to Parliament, but the detailed heads will be shown in the account which is laid before The House somewhat later.

3921. Suppose Parliament declares that such and such sums shall be appropriated to such and such services, is there not a security for the expenditure in defining clearly and minutely those particular objects?—Yes.

3922. Is there not a danger, if you lump large sums together, that the check will be altogether lost?—Yes.

3923. In point of fact, when such a sum as 4,000,000*l.* is voted for clothing, provisions, forage, and a number of items, is there in fact any check at all?—Yes, decidedly; because the estimate for each of those services would be shown in the detailed account, and the expenditure on account of each of those services would also be shown; and it would also show whether less had been expended than had been estimated, or more than had been estimated. That would not be shown in the abstract account.

3924. In point of fact, if there were any disposition to misappropriate money, would not such large sums as 2,500,000*l.* for stores, 4,000,000*l.* and odd for clothing, give a facility for that sort of expenditure?—No expenditure incurred under either of those heads could be passed to another without being brought under the notice of the Commissioners of Audit. If the whole vote were not exceeded, a department might certainly spend more money for provisions and less for forage, but the head "provisions" could not be charged with the forage. It would be clearly shown in the detailed account the amount which had been expended under each head.

3925. Sir *James Graham.*] Those large aggregate sums are broken, in posting in the ledger, into items?—Yes, they are.

3926. And each item, before being posted, must be vouched?—It must.

3927. And each item so vouched before posting is brought before the Audit?—It is.

3928. Does not that, as to the sum total, the items being so broken, vouched, and inspected, afford a security against malappropriation?—Yes.

3929. Mr. *Hankey.*] Is the Army account, as now made up, exhibited in such a comprehensive form as to enable any person, by comparing that account with the Appropriation Act, to see how the money that has been voted by Parliament has been expended?—Certainly.

3930. Is that account delivered to Parliament?—Yes, an abstract account, under each of the heads of the Appropriation Act, is laid before Parliament by the Treasury on or before the 31st of June in every year, and afterwards a detailed account, containing all the heads opened in the departmental ledgers, accompanied by a balance sheet, is also laid before The House about the latter end of July, or the beginning of August.

3931. That account shows the closed account as audited by the Audit-office, up to what period; say the account now closed to the 30th of June last; when will that show the account, as compared with the Appropriation account?—Up to the 31st of March 1855. One year is allowed to collect the accounts from foreign stations, and to examine them, and to record them in the books, and one month to make the account up; and during the next month the account is laid before The House. The Army account has not yet been delivered; the Ordnance and Commissariat accounts were sent to the Treasury in May.

3932. Referring to the Appropriation Act of 1854, when will that account so audited be delivered to Parliament, or has it yet been delivered to Parliament?—The Army account has not yet been delivered to the Audit-office.

3933. I am referring to the Appropriation Act of the Session of 1854?—There has been some delay in making it up, in consequence of great difficulty in the departments, from the deaths of paymasters, and other difficulties which have been occasioned by the war.

3934. Are the Committee to understand that the expenditure of the army, as voted by the Appropriation Act of the Session 1854, cannot be exhibited to Parliament until the commencement of the Session of 1857?—No; I have reason to believe that that account is now ready, and will, within a day or so, be sent to the Audit-office. The whole of the books of the army have been examined up to the latest date, and a very few days at the Audit-office will accomplish all that is necessary, and that account will be immediately transmitted to the Treasury to be laid before The House.

3935. Practically, as the Session is now within two or three weeks of its close, I suppose that the account cannot be seen as delivered to Parliament until the meeting of Parliament in 1857, supposing that Parliament does not meet again in 1856?—Perhaps not; but that is an exceptional case.

3936. On former occasions what has been the period at which that account has been generally laid before Parliament?—Invariably before the 1st of June.

3937. *Chairman.*] After the Army and Ordnance Estimates have been voted?—The Act of 9 & 10 Vict. provides that those accounts shall be rendered to the Audit-office on or before the 30th of April, and that they shall be laid upon the table of The House before the 1st of June.

3938. That is, practically, after the Army and Ordnance Estimates have been voted?—Yes.

3939. Mr. *Hankey.*] Then I gather that it is your opinion that the accounts of the votes referred to in the Appropriation Act cannot be delivered to Parliament before two years after the Appropriation Act has passed, or thereabouts?—Less than that; the Appropriation Act, I think, usually passes the last thing in the Session.

3940. The Appropriation Act of 1854 was passed at the end of July 1854; under ordinary circumstances that account cannot, according to your opinion, be delivered to Parliament until June, 12 months after the Appropriation Act?—It cannot; the Appropriation Act is passed before the year terminates; it does not terminate till the 31st of March, and the account is delivered 13 months and a half after the termination of the service.

3941. Do not you think that any mode can be contrived by which Parliament in

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in the ensuing year could have an audited account of the expenditure of the previous year?—They certainly could have an account, but it would be a most imperfect one.

3942. Sir *James Graham*.] And it would lead to wrong conclusions, would it not?—I think it would.

3943. And particularly as bearing upon appropriation it would prove nothing?—I think so.

3944. The circumstances of 1854, with regard to the Army, were very peculiar, were they not; it was the first year of the war, and the first year of the consolidation of the Ordnance and Army departments?—It was the first year of the war, but not of the consolidation; that consolidation does not take place till 1856-57.

3945. Before the Ordnance was broken up and brought under the war minister?—Yes; but the Estimates were separate, and the accounts will be made up separately until 1856-57, and that will be the first account in which they will be all joined together; up to that date separate accounts will be rendered of Army, Ordnance, and Commissariat.

3946. Then this regulation which you have just mentioned as to the consolidation which is to take place in 1856-57, would make the right adjustment of the accounts in a single book at that time doubly important?—Yes.

3947. Mr. *Henley*.] You have stated that eight months are allowed by law to the Navy, and 12 months to the Army, to send in their accounts?—Eight months are allowed to the Navy to transmit the accounts to the Audit-office, and 13 months to the Army, Ordnance, and Commissariat; that is, the Navy close their books at the end of seven months, and they take one month to make up the account. The Army, Ordnance, and Commissariat close their accounts at the end of 12 months, and they take one month to make up the account, so that the Navy account is sent to the Audit Board on or before the 30th of November; and the Army, Ordnance, and Commissariat, on or before the 30th of April.

3948. Practically, you are able at the Audit Board, not speaking now of exceptional years, but in ordinary years, to lay the Naval account before Parliament five months earlier than you could lay before Parliament the Army account?—Yes.

3949. You have stated as your opinion, that you do not think the Army could furnish their account within the same period as the Navy could, and you stated generally that you thought the Navy had greater facilities; will you state further, the reasons which induce you to think that the Army accounts could not be submitted, there being now a greatly increased and more rapid communication from all foreign places, within a less period than 12 months?—By far the larger proportion of the Navy expenditure is incurred in this country upon bills, the accounts of contractors, and those are recorded as final payments which take place at once; but nine-tenths of the Army expenditure is through accountants, and through paymasters. Imprests are made to all those paymasters; and all those accounts have got to be collected, examined, and recorded. Final payments by the Army in the first instance are few, comparatively speaking.

3950. Is there any reason why those accounts which you say are much more distributed in the Army than the Navy, might not be transmitted from time to time from the respective parties, and the business pushed forward so as to prevent the accummulation of a mass of accounts at the end of the year, and to be 12 months before they are transmitted?—They are transmitted quarterly, the accounts of the paymasters.

3951. What is the reason that the last quarter's accounts cannot be transmitted to this country in less time than 12 months?—They are transmitted certainly within a period of 12 months; but when received they have to undergo an examination before they can be recorded in the books.

3952. Is there any reason why that period of transmission should not now be shortened; how long has that period of 12 months obtained?—It has not been found practicable to get the accounts audited and posted in a shorter time; on the contrary, I believe it to be the opinion of those who are well acquainted with the War-office, that the time allowed is hardly sufficient to accomplish the object.

3953. Will you state how long that period of 12 months has obtained?—It was by Act of Parliament, the 9 & 10 Vict. c. 92.

3954. Do you know what the period allowed was before that time?—This was the

the first Act that provided for the examination of the Army and Ordnance accounts. *Charles Vine*, Esq. 10 July 1856.

3955. Have you given such attention to the subject as to know what the time of transmission from the most distant parts of the empire would be, so as to give a confident opinion that the several accounts would not be transmitted in less time than is now required?—I am not prepared to say what time the accounts take coming home from distant colonies; but the troops are at out-stations, and those accounts have to be collected and sent home. But it is not the mere transmission of them home; it is the examination of them after they have been received.

3956. But of course, the sooner they are transmitted the more time there would be for examination here?—I cannot speak with any confidence as to the time in which the War-office accounts are received; but in taking up the Commissariat Chest accounts, very often they have been received from Western Australia and from New Zealand, at the last moment; and great exertion has been necessary to incorporate them into the Commissariat Chest account; and that being the case, I should imagine that there is great difficulty in the War Office.

3957. You have stated that in point of fact, an account has only been received from New Zealand, which is probably one of the most distant possessions, within 12 months; but that does not go to the question of whether that account might not have been transmitted from New Zealand in less time?—I think we have had several letters stating the impossibility of sending the documents earlier; the Audit-office has complained of the accounts being sent home for three months, for instance, at a time; and the explanation has been, that there has been no opportunity of sending them.

3958. Do you mean to say that there is any colony in which there is a Government establishment, with which, in the ordinary course of affairs, there is no communication within three months?—I believe that has been the case.

3959. Do you believe that to be the case now?—That I cannot say; in point of fact, the period given to the Navy of eight months is that which would enable the accounts for the Navy to be in the hands of Parliament in the year but one afterwards?—Yes.

3960. But with regard to the Army that is not now possible?—The Army and Ordnance accounts are made up and presented to The House on or before the 1st June.

3961. Then that is always long after the Estimates for the then current year are brought before Parliament and voted?—Yes.

3962. Is it your opinion or not that there is a tendency in every party, if there is a certain time fixed, not to get the work done within that time?—I can confidently state, from my experience of all the departments, that the greatest possible exertions have been used to prepare these accounts in the Navy, Army, and Ordnance; and I am quite certain that there has been no lack of assiduity on the part of the persons employed to prepare them. In the War department, the amount of attendance which has been given by the men there has been excessive.

3963. I am not speaking of making up the accounts in this country, the time for which appears to be very short, and no doubt great diligence must be used to complete them; but what I wish to call your attention to is this: you say that accounts have now been rendered from New Zealand just within the time allowed by law. Is it your opinion that if that time were shortened two or three months, you would not receive them just within the time allowed by law?—There is a certain time allowed to transmit the accounts to the Audit-office. The account which is made up in compliance with the Act must be submitted to the Audit-office by the War Department within 13 months after the expiration of the service; and to accomplish that they must have received all the accounts from the different out-stations, and they must also have examined them and recorded them in their books.

3964. You stated in the commencement of your evidence that seven months and one month were allowed for the Navy, and twelve months and one month for the Army, making 13 months?—Twelve months to collect the accounts, and examine and record them, and one month for the purpose of making up the account.

3965. What I want to know is this, the 12 months being given for collecting and

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and recording, may not that have a tendency, for instance, at New Zealand, to make parties there postpone, till the end of 12 months, sending in their accounts?—I have no reason to suppose that the War-office would allow the paymasters to take a longer time than was necessary in transmitting their accounts, especially as the late receipt of those accounts must cause great inconvenience to that department.

3966. What is there in the nature of an Army account, under ordinary circumstances, that it cannot be made up and transmitted within 12 months?—The magnitude of the account, and the number of the sub-accountants' accounts which have to be examined and recorded in the books.

3967. Take New Zealand or any of the Australian colonies, what is there in the nature of the Army account there, after the year is closed and the payments are made, to prevent parties making up the account, and transmitting it within 12 months to this country?—They must transmit it considerably within that period, otherwise the War department could not make up the account.

3968. What is the reason why those Army accounts cannot be made up within 12 months; what are the difficulties which stand in the way of that being done?—The difficulties are, examining and recording the expenditure which has taken place, and the examination of all the paymasters' accounts.

3969. The paymaster's account is the payment of officers and men, is it not?—Yes, and payments under almost every head of the estimate.

3970. Whatever those are, they are not more complicated than the naval accounts; there is less material, is there not?—The Naval accounts are much fewer than the Army accounts. In the year 1853–54 there were 428 accounts against colonels of regiments and paymasters, 222 accounts against colonels and acting paymasters of militia, and 151 accounts opened against staff officers of pensioners. I have not the slightest doubt that those accounts, during the next succeeding year, have been nearly doubled, in consequence of the war.

3971. What is the whole aggregate number of accounts during the year that you have been speaking of?—One thousand one hundred and ninety-seven.

3972. Is an account, consisting in number of 1,197 accounts, such a formidable matter that it is not capable of being made up and set right within 12 months?—I do not think it could be done quicker than it is.

3973. Your opinion decidedly is, that it cannot be done more quickly, though it does not appear that you can assign any reason for it, except the number of the accounts?—Yes; the number of the accounts, and the difficulty of examining them and placing them on record.

3974. Will you be kind enough to explain what is the special difficulty in the account; what is the character of the account that makes the difficulty?—The detailed examination takes a considerable time.

3975. What is the length of those accounts?—I am not competent to give you a history of the detailed examination of them; that does not come under my notice.

3976. If you are not acquainted with the details of it, are you quite competent to speak of the difficulty of passing them?—I can only speak so far as they come under my notice.

3977. Mr. *Wilson.*] Would not 1,000 accounts branch out probably into 3,000 or 4,000; suppose 1,000 accounts came home to the Army department here, from those who account directly to the Army department, would they not branch out each of them into several sub-accounts before they could be made up?—Yes, they would branch out under every head that was opened.

3978. Take the Cape of Good Hope, for example; there there is a naval station and an army station. With regard to the Navy department, the Paymaster of the Navy would be at the port, and he would have the whole of the expenditure almost under his own control, and at the close of the year he would have little or nothing to do but to send home his accounts. But with regard to the Army, the head paymaster at Cape Town would have the accountants and colonels at all the stations in the interior of the country to communicate with, and those colonels would again have sub-accountants as paymasters to different branches of each regiment; and at the close of the year all those sub-accountants would have to account to their immediate superiors, and those accounts would then have to come to the head accountant at Cape Town?—Yes.

3979. Whereas in the navy the thing would be under the control of one person, the accountant of the army at Cape Town would have to draw in his accounts through innumerable branches from the different military stations in that province,

before he could close the final accounts, and before he could send home his own account; which would represent only one of the thousand, there being contributions from various streams, down to a single paymaster of a single regiment?—Yes.

3980. That really constitutes the great difference between the two services?—Yes.

3981. Mr. *Henley*.] There being that difference between the two services, the detail being somewhat explained and enlarged, you have stated that all those things are made up quarterly?—Yes.

3982. Then can you explain, even with this detail, if they are made up quarterly, what the general average arrear is of each quarter, and state what the practice is?—No, I cannot.

3983. Sir *Henry Willoughby*.] In the last financial year a sum of money was voted for the militia, 3,813,333 *l.*; can you state to what extent that account has been audited?—As far as it is recorded in the books of the army.

3984. Is it audited in part, or wholly?—The appropriation audit is complete as far as the accounts have been examined and recorded in the books of the army; I cannot tell you how far the detailed examination has been conducted.

3985. Is that account closed for the year ending 31st of March 1856?—No.

3986. Would the accounts show what balance there is of that amount unexpended?—No, unless the whole accounts of that expenditure have been examined and recorded.

3987. At this moment it is not known what balance of the three millions remains unexpended?—I should say not.

3988. What effect has a vote of credit upon your audit; there was a vote of credit for three millions for the financial year ending the 31st of March 1856?—That vote of credit, I think, was taken in aid of the expenditure for the Army, Navy, and Ordnance services; and the Treasury Minute, I think, directed that those departments should conduct the expenditure of a similar character to that which is usually included in their estimates; and if their expenditure exceeded the estimates, upon a statement being made showing the amount by which their expenditure had been exceeded in consequence of the war, the excess of the expenditure might be taken out of that vote of credit.

3989. Then, in point of fact, it might increase either head of expenditure under the Army, Navy, or Ordnance?—Yes; but all under the Treasury control.

3990. Then that vote of credit completely alters the amount of the appropriation practically, does it not, as stated in the Act of Parliament?—It may be applied to cover an excess of expenditure in either of those departments.

3991. Might it not be carried to any one of those departments?—No, I think not; not the whole; because the intention was to apply it to an excess of expenditure by any one department which was shown to have been occasioned by the war, and not otherwise.

3992. Then would the Audit-office exercise a discretion as to what was occasioned by the war, and what was not, in any department?—With respect to the Commissariat account for the year 1853–54, 59,901 *l.* 4 *s.* 10 *d.* was taken out of that grant of 3,000,000 *l.*, in consequence of the increased expenditure at Malta for purchases of supplies for the use of the military expedition, then under orders to go to the Mediterranean, the Commissariat vote having been exceeded in consequence of this expenditure.

3993. That explains the expenditure that took place under that head; but, assuming that it had been under any other head, could the Board of Audit have exercised any discretion in allowing a payment, supposing that it had occurred under any head, Army, Navy, or Ordnance?—The payments under the Army, Navy, or Ordnance would be of a similar character to those included in the estimate; it would only be that the expenditure on account of those heads had exceeded the sum estimated.

3994. Whether these matters were occasioned by the war or not, would not that belong to the judgment of the department?—Yes; the Audit could not deal with the purchase of a large quantity of stores by the Navy, whether it was in consequence of the war or not, but that purchase might make the Navy exceed the vote.

3995. Then, in point of fact, it may come to that amount of expenditure, to the extent of 3,000,000 *l.*, under either of those three heads?—No.

3996. A vote of credit of 3,000,000 *l.* might occasion an additional expenditure to

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to the extent of 3 000,000*l.* beyond the amounts appropriated by Parliament for those several purposes?—I do not see it quite in that light.

3997. Mr. *Chancellor of the Exchequer.*] Supposing there were a vote of credit for 3,000,000*l.* in aid of the war, and suppose that war were waged entirely by sea, and no military operations took place, would it not then be a legal appropriation to give it entirely in aid of the Navy Estimates?—If it was found by the naval account that the Navy Estimates had been exceeded in consequence of that war.

3998. Sir *James Graham.*] In your audit, as laid before Parliament, any such application of the vote of credit in excess of the votes would be set forth in the account presented?—Yes, decidedly.

3999. Sir *Henry Willoughby.*] That would be two years after it had occurred, and it would not come to the knowledge of Parliament for two years?—Not until the account was laid before Parliament.

4000. Sir *James Graham.*] And the Treasury that had authorised that transfer would be responsible for the order?—Yes.

4001. Parliament would be cognisant of the permission given so to apply to it?—Yes.

4002. Mr. *Wilson.*] The votes to the Army, Ordnance, and Navy last year, when there was a vote of credit, were made, were they not, upon the responsibility of those three departments, the usual votes for the Army, Navy, and Ordnance?—Yes.

4003. With regard to the vote of credit, it was not a vote to any one of those departments, but to the Treasury?—Yes.

4004. The appropriation of the usual votes for the Army, Navy, and Ordnance would be dealt with in the usual way, as if there had been no vote of credit?—Yes.

4005. Any expenditure beyond that must be upon specific Treasury authority, as coming from the vote of credit?—Yes.

4006. Therefore your audit of the accounts in the departments would be precisely the same as in ordinary years; you would deal with the Parliamentary authority, so far as the votes went; but for anything beyond them, you would require Treasury authority for part of the vote of credit given to the Government?—Not exactly that; the expenditure would be shown, and it would be only when the account was made up that the amount could be ascertained as to what proportion of their expenditure, beyond the estimates, had been incurred in consequence of the war.

4007. That would have to be supplied by a Treasury Order upon the vote of credit?—It would.

4008. Therefore the vote of credit is a vote for which the Treasury is responsible?—Yes.

4009. Each department being in that case, as in all others, responsible for its own vote?—Yes.

4010. The Board of Audit would accept the votes of Parliament, so far as they went, as to the department, and the Treasury authority upon the vote of credit, so far as it had been used for each department?—Yes.

4011. Sir *James Graham.*] The excess beyond each vote, in the case supposed, would be fed from the vote of credit?—It has been so in the Commissariat service.

4012. In the Army and Navy, where there has been an excess, how has that been fed?—In the Navy, by an additional vote; a supplemental one.

4013. In the Army, how has it been fed?—I do not know what the state of the Army is for the year 1854-55.

4014. But by a Treasury Warrant from that vote of credit, it would be possible to make good any deficiency in any vote?—It would.

4015. That warrant would be an authority to you to post that sum so exceeding the vote in the ledger?—Yes.

4016. Would you note it as an excess?—Certainly.

4017. And having noted it as an excess, would the Board of Audit, in laying the annual account with its annotations before Parliament, so mark it?—Yes.

4018. Parliament, when that account was presented, would be cognisant of the excess, and the Treasury might be called upon by Parliament to explain the circumstances?—Certainly.

4019. Sir *Henry Willoughby.*] In votes of credit you look to the Treasury for your authority?—Yes.

4020. And to the Treasury only?—Yes.

4021. *Chairman.*]

4021. *Chairman.*] You look to the Treasury for authority to apply the vote of credit to particular departments, but the Treasury does not give an authority for the additional expenditure does it?—No.

4022. That is incurred by the departments?—Yes.

4023. Sir *James Graham.*] But accounted for to Parliament in the annual account?—Yes.

4024. Marked under each head where the excess has been?—Yes; if there is any excess beyond the grants it is invariably shown in the account.

4025. For instance, if there has been an excess under the head of machinery and stores for the Navy, that would be marked in the account?—Yes.

4026. Why has there been a supplemental vote in the case of the Navy, and not in the case of any other great branch of expenditure?—I am not aware.

4027. Has the naval expenditure been aided, in point of fact, by the vote of credit, or have the supplemental votes supplied all the deficiences?—The supplemental votes have supplied all the deficiencies.

4028. As to the Navy, there has been no appropriation from the vote of credit?—None.

4029. Mr. *Wilson.*] There was a supplemental vote for the Ordnance?—Yes.

4030. Practically, as to this vote of credit, does it not take the place of the old army extraordinaries, and is it not practically applied through the commissariat chests abroad?—Yes.

4031. And the expenditure abroad is supplied partly by remittances to the commissariat chests, and partly by bills drawn upon the Government at home?—Yes.

4032. And the vote of credit is applied to the greatest extent to meet those bills?—Yes.

4033. And until the accounts are finally adjusted it is impossible to say what portion of those bills belong to the Army services, and what portion to the Ordnance, and what portion to the Naval services?—Certainly.

4034. Therefore the vote of credit has proved of the greatest possible assistance to the general votes, for the purpose of putting the paymaster in funds to meet those large bills, and to transmit those large sums for the use of the army abroad during the time of war?—Yes.

4035. And until those accounts are finally adjusted it is impossible to say in what branches it has been employed?—Quite impossible.

4036. Mr. *Williams.*] The application of the vote of credit requires the authority of the Treasury for its expenditure?—Yes.

4037. How is the application made to the Treasury, is it through the different departments, such as the Army or Navy, or in what way is the application made?—An application is made to the Treasury, stating—I will take the Commissariat—that the expenditure of the Commissariat has exceeded their estimate in consequence of the payments which had been made connected with the war, and submitting a statement, showing that such has been the fact, and requesting that the Treasury will authorise the payment to the Commissariat of a portion of the vote of credit, sufficient to cover that excess of expenditure beyond the estimate.

4038. Do they incur the additional expenditure without any authority from the Treasury?—That expenditure has been incurred abroad by the proper authorities. It is impossible to say how an account stands till it is made up.

4039. Sir *James Graham.*] Do you see any reason, or can you state any, why the Army should not be compelled to come to Parliament and ask for a supplemental vote to meet an estimated deficiency or an ascertained deficiency, exactly as the Navy has been compelled to do?—No, I see no reason.

4040. Why should they not, for the Army as for the Navy, in case of an ascertained deficiency, come to Parliament and ask for a supplemental vote, instead of drawing upon the credit given to the Government for general purposes?—I see no reason why.

4041. *Chairman.*] How would they have ways and means, supposing they exceeded their vote by three millions, as they seem to have done?—That is invariably stated in the report which the Audit-office make. The deficiency in the grants for the year 1854–55 is reduced to 284,982*l.* 1*s.* 5*d.*, which having been temporarily disbursed out of the Supplies of 1855–56, remains to be made good by an additional grant.

4042. Mr. *Wilson.*] But that excess was to be made good out of the previous supplies?—

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supplies?—Yes, out of the supplies for the subsequent year. That would be the case with the Army.

4043. Sir *James Graham.*] You see no reason why the same practice should not apply to the Army?—It would apply to the Army if the Army had exceeded their estimate.

4044. *Chairman.*] That might do very well for small sums; but if the Army exceeded their vote by three millions in the course of the year, not upon the settlement of account, but an actual excess over the vote by three millions, where will you get the money?—You could not possibly do it without you had fresh grants in the Exchequer.

4045. Mr. *Wilson.*] This vote of credit has in point of fact been all used through one single vote, the Commissariat vote, has it not?—Yes, at present.

4046. Is not this the practice, that at the seat of war the Commissariat chest is the only source from which supplies are drawn?—Yes.

4047. The Commissariat vote proper is a very small vote, is it not?—Yes.

4048. But the Commissariat officer has to discharge not only his own services, but he has to supply means for the whole Army expenditure on the spot?—Yes.

4049. Whatever the Commander-in-chief on the spot demands, the Commissariat officer is bound to supply?—Yes.

4050. He must therefore replace in his chest by drafts from home, or remittances from home, money to supply every service?—Yes.

4051. A vote of credit is issued therefore by the authority of the Treasury, from time to time, from the Exchequer to the Paymaster, to meet those large bills which come home on that general service?—Yes.

4052. Therefore no other means could be found for a great accidental expenditure but a vote of credit or Army extraordinaries?—I think not.

4053. Sir *James Graham.*] This Commissariat expenditure, conducted as you have just stated, is not susceptible of any estimate?—I should think not.

4054. Mr. *Wilson.*] And it must be accounted for finally, as all other expenditure is, in the final account?—Yes.

4055. Sir *Henry Willoughby.*] In the present year there has been voted 1,346,000*l.* for services in excess of expenditure beyond the grants in the year ending the 31st of March 1856; that is provided for in the present year; why could not the same system be pursued with regard to the Army?—The Army could, no doubt, if the amount was ascertained, pursue the same system.

4056. If you can provide for an excess of expenditure, such as 1,346,000*l.*, out of the ways and means of the present year, why could not you provide for a similar excess in any branch of the service?—I see no reason why.

4057. Mr. *Wilson.*] You have been asked some questions with regard to the removal of the audit of certain accounts from the Audit-office to the War department; the description of accounts that have been removed is not what is called the audited accounts, but an examination in detail of those accounts, is it not?—In the Commissariat services it is an examination and audit of those accounts.

4058. But what you did in the Audit-office before with regard to those accounts you did on behalf of the Treasury; the first examination, which has always been done in the Naval and Army departments for themselves as well as the audit of the accounts?—Yes.

4059. It was that examination of accounts which was removed from you to the War department in order to make the practice the same with regard to all those services?—Yes.

4060. You still retain the same control of audit over the Commissariat expenditure that you had before, and that you have now over the Naval and Army expenditure?—Yes; the appropriation audit.

4061. And that which was removed from you was the examination of the accounts, which has always been done by the other departments for themselves?—Yes, the detailed examination.

4062. The authority for which could only be given by the head of the department, who was responsible for the expenditure?—Yes.

4063. Therefore there has been no change made with regard to the Commissariat account which in any way interferes with the functions of the Audit Board, as to the appropriation of the monies?—None.

4064. The change with regard to other Army services which has been alluded to, has been to this extent only: that the receipts which are given by colonels and different deputy paymasters to the paymaster, when they receive the money, now go

go back to the Army department, whereas formerly those receipts went to the Audit-office?—Yes.

4065. That is the only change?—Yes.

4066. But the Paymaster-general furnishes to the Audit Board a certified statement of the sums that he has paid in behalf of each of those departments, only he does not receive the receipts of the persons who receive the money, but they are lodged in the Army department where the payment was authorised?—Yes.

4067. You have been asked several questions as to an account being made up earlier, and you have stated that it would be impossible to make up the account perfect in a shorter period than that which is now occupied. I would call your attention to an example, to show the difficulty and impossibility of making up these accounts at the close of the year. The account of the Ordnance up to the 31st March last year, for the preceding year, showed an amount overdrawn, 12,160 *l.*?—Yes.

4068. In the month of August the adjustment of the accounts had proceeded so far, that instead of there being an overdrawn balance against the vote, there was a balance in favour of the vote of 290,000 *l.*?—Yes.

4069. At the close of the year there was a balance of 253,000 *l.*?—Yes.

4070. That was a final adjustment of the account?—Yes; there was less expended than there was voted.

4071. Whereas on the 31st of March there was actually the appearance of an overdrawn account?—Yes.

4072. So that, in point of fact, any account made during the currency of that year, before the final adjustment, could not have been correct?—No.

4073. Would it not show the reverse of the facts?—Yes.

4074. And that is merely what would occur in every other vote throughout the service?—It would occur in a good many votes, particularly store votes.

4075. Because as to those store votes, stores are furnished to various other branches of the public service abroad and at home, which require final adjustment?—In the Navy the store vote might appear to be exceeded on the 31st of March; whereas at a subsequent date the usual declarations from the different dockyards might come in, showing that a large quantity of stores had been issued for other departments for which that vote would be entitled to credit, and the account might then show that the estimate had not been exceeded.

4076. Mr. *Hankey.*] Might not that be corrected by a certain amount of expenditure being left out of that year and brought into the following year, so that though in the first instance the account would not exhibit the exact amount in accordance with the Appropriation Act in the one year, yet in future years it would be corrected, and Parliament would have a much more rapid mode of ascertaining the great bulk of the expenditure in any one year?—It might be more rapid, but it would be, I think, an incorrect one.

4077. Might it not be a correct one up to a certain extent?—Yes, to a certain extent.

4078. And, therefore, when the accounts of a certain number of years were looked over, anybody could perfectly well ascertain what had been the expenditure of any amount which had been appropriated by Parliament?—Each year would be incorrect, but the aggregate would be right.

4079. Incorrect so far as not being complete?—Yes.

4080. But not incorrect as being a wrong statement?—I think it would be calculated to mislead.

4081. Sir *James Graham.*] In the cases put, the account of the 31st of March would present a statement of facts the reverse of the truth, for, in the naval store account, occasionally there is at the close of the year an apparent deficiency with an outstanding debt due to the account which would cover the deficiency; would not Parliament upon the presentation of the account to the 31st of March, draw conclusions from those false data, the reverse of what the facts would justify?—I should say they would.

4082. *Chairman.*] You have stated that the Paymaster's account would be wrong as to particular votes. In the separate votes for the Army and Navy services, would the sums total be wrong; Mr. Hoffay stated that it was quite possible that at the close of the year the Paymaster's accounts would show a surplus, when on all the three services they had exceeded their estimates?—It can very easily be so, because the accounts show the excess of the expenditure on a given year; the accounts of the Paymaster-general show the balance in the Exchequer for

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for that and the succeeding year, a certain time being allowed to elapse to make make up the account; and as is stated in the Report on the Naval Accounts, the deficiency is temporarily disbursed out of the supplies for the succeeding year. The balance in the hands of the Paymaster-general would not be a balance of the votes for the year when that deficiency took place, but it would be a general balance in his hands of Navy monies.

4083. It arises from the mode in which he keeps his account, does it not?—No, I think not; I do not see how he could keep it otherwise.

4084. With regard to the balances in the Exchequer, if there are Exchequer credits there, will you explain how it is that there is money to the credit of the Navy, when the Navy has exceeded considerably its votes?—The balance in favour of the Navy is upon the subsequent year's grants.

4085. Surely you cannot apply to Navy service monies which have been voted for one year to the services of the subsequent year; you cannot mingle, as you can in the Miscellaneous Estimates, the votes for one year with the votes for another?—Supposing the whole of the votes for the year 1855-56 were exhausted, the Paymaster draws upon them for 1856-57, and an account would be furnished, and when made up it would be ascertained upon the year 1855-56 that there was an excess of expenditure, and that expenditure must necessarily have been taken out of the votes for the subsequent year. The account of the Paymaster-general on the 31st of March would show a balance in favour of the Navy, whereas the accounts for the Navy for the preceding March would show an excess of expenditure beyond the estimate.

4086. Then the paymaster would apply the votes of the years 1855-56 for the service of 1854-55, according to that?—Yes.

4087. Mr. *Wilson.*] That is quite necessary according to practice and according to law?—He cannot do otherwise.

4088. There is no attempt to divide the services of the year in the payments?—No.

4089. The payments within the year come out of the vote of the year?—Yes.

4090. That is by the regulations which have been made since 1831?—Yes.

4091. Sir *James Graham.*]—Are not these the words in the Act, "to meet the payments coming due in the course of the year"?—The estimate is taken for sums which shall come in the course of payment.

4092. Sir *Henry Willoughby.*] Do you say that the excess of expenditure would be paid out of the supplies voted for the next year?—Yes.

4093. Would that be a temporary arrangement until a vote was sanctioned by Parliament?—Yes, it would.

4094. And the money would be actually disbursed?—Yes, it would.

4095. Therefore monies appropriated to one purpose are applied to another?—To that extent.

4096. To the extent of any excess?—Yes.

4097. Mr. *Wilson.*] You make up your accounts to the 31st of March of payments made up to that day all over the world?—Yes.

4098. With regard to the payments at home, all those payments come out of monies voted in the proper year?—Yes.

4099. With regard to the payments abroad, the time of actual payment in that case might be two or three months afterwards, and it would come out of money issued the next year?—No.

4100. The bills drawn?—No.

4101. Suppose a payment of money at the Cape on behalf of the Navy, on the 20th of March; that payment finally comes into the year ending the 31st of March, does it not?—Yes.

4102. The actual payment at home by the Paymaster does not take place till the bill is paid in June?—The bill would be paid out of the Commissariat Chest account.

4103. But at home in June?—Yes.

4104. *Chairman.*] But the Pay-office balance does not show the real state of the vote, whether the votes are exceeded or not?—It is impossible.

4105. Mr. *Wilson.*] It not only does not show the real state of the expenditure between the various votes of the same department, but it cannot show the real state of the expenditure of the different departments themselves?—No.

4106. Because

4106. Because one department is in advance to another in foreign stations?— Yes. *Charles Vine*, Esq. 10 July 1856.

4107. You were asked a good many questions about appropriating in the daily issues of monies with regard to the Army, and separating the militia from the other votes of the Army; is it not the case that the Appropriation Act does not contemplate any separation of those votes in the first instance, but only an adjustment in the audit finally?—The Appropriation Act states that there shall be so much granted for Army services; the whole amount, and then subdivides it under the different votes.

William George Anderson, Esq., called in; and further Examined.

4108. Mr. *Wilson.*] HAVE you any explanation to make with regard to your last day's evidence at the Pay-office?—I am anxious to offer some observations on one or two points connected with my examination on Monday last, on which I was either not sufficiently clear or not strictly correct. I was called upon suddenly, without having received any intimation as to the year's accounts which were to become the subject of investigation, to explain cash operations which extended over a very wide field, and which took place four years ago, without having been afforded the opportunity of previously examining the transactions. I am therefore compelled to trespass on the attention of the Committee for a few minutes, for the purpose of correcting or explaining part of my former evidence. The Chairman put several questions to me respecting the delay in drawing credits for certain Consolidated Fund services and for Naval services, in the month of April 1852; and in answer to question No. 3438, I stated that the reason for it, so far as I recollected, was, that at that time the Treasury were issuing Ways and Means Bills, and that we had very little money in the Exchequer. I have since Monday had an opportunity of consulting the Treasury books, and I find that I was wrong in supposing that Ways and Means Bills were issued at that time. On reference to these books, the reason for not drawing credits appears obvious: it is the practice of the Treasury on each quarter-day to issue to the Paymaster-general such an amount as will suffice to carry on the public service until the revenue of the succeeding quarter shall have accumulated a sufficient balance to enable them to resume the daily issues. On the 5th of April 1852, the Treasury issued to the Paymaster-general credits to the amount of 785,000*l.*, to enable him to carry on the service from the 5th to the 17th of the month, and according to his instructions he was bound not to draw additional credits until that sum, as well as the balance on his cash account, were exhausted. It is usual in regard to these large issues to make them with the concurrence of the Chancellor of the Exchequer, as they affect his arrangements as to deficiency bills, and I have no doubt that if the usual course was adopted on that occasion, Mr. Disraeli had sufficient and proper reasons for giving his sanction to the issue in question. These explanations fully account for the delay in drawing the credits to which the questions of the Chairman pointed. In regard to a similar delay in numerous instances in drawing credits for the Civil Service votes in the course of the year 1852, I find on looking into the cash receipts for that year, that independently of the ordinary cash receipts applicable to the votes, and which become absorbed in the vote accounts when expended, there existed throughout the year 1852 a balance of cash belonging to deposit accounts, not subject to Parliamentary appropriation, varying from 180,000 *l.* to 320,000 *l.* The Committee must be aware, from the evidence before them, that the Paymaster-general is bound by his instructions to exhaust these monies in making his general payments, and that he must consequently leave in the Exchequer on the several votes to which such monies are applied balances to cover such deposits whenever they may be called for. It must be therefore evident that to keep every vote account in credit by Exchequer issues, would entirely defeat the object which the Treasury had in view in the Exchequer Regulation Minute of 1834, and in the various Pay-office Minutes, by which the cash receipts are to be exhausted in order to leave the largest amount of balance in the custody of the Exchequer. Those are the only two points upon which I have any observation to make with regard to my former evidence. *W. G. Anderson*, Esq.

4109. *Chairman.*] As to the deposited accounts, have they been increasing of late years?—Yes, they have been increasing very much since the original consolidation.

4110. What was the old practice with regard to those deposits?—The largest amount

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amount of deposits came from the Paymaster of Civil Services. On the consolidation of that department in 1848 with the Paymaster-general, they were used then the same as any other monies in the cash account; but they have increased since then very largely, owing to the transfer of new services, and owing to the Treasury having taken away from various public accountants balances which stood to their credit at the Bank, and placed them in the hands of the Paymaster-general.

4111. Supposing that the system of keeping within your credit is a proper system, those deposited accounts very much interfere with it, and almost render it impossible?—Clearly. If you use the deposit monies to save the Exchequer monies, you must not draw Exchequer credits, otherwise you will have money in excess of the sum required for the payments.

4112. Can you devise a plan by which you might use those deposit monies by paying them to the Bank, keeping a separate account of them, and taking interest in that way, without bringing them into your account, and using them for your general drawing account?—The old plan was to leave them unproductive in the Bank.

4113. But could you make them productive to the public without absolutely putting them into your drawing account?—Each account would require a separate consideration.

4114. Do you not think that by an arrangement with the Bank that might be done?—I can hardly answer that without consulting the Bank; it is contrary to their principle of business to allow interest on deposits.

4115. With regard to all the Consolidated Fund payments; you referred to particular years; is it not the usual practice to issue salaries and those payments before you draw?—Yes, and for the same reason which I have given as to this particular year; only that in 1852 it was for a longer period than usual; in fact, the issue had been larger at the end of the quarter, and it had taken a longer time to exhaust it before fresh credits were drawn.

4116. Is it not the habit to make those payments from the general drawing account before the credits are drawn from the Exchequer?—They are always made out of the issue that is granted before the close of the quarter, and no issue from the Consolidated Fund for the quarter can take place before the 5th of the month; the issue before the Consolidated Fund account for the quarter is closed must be out of supply services, and you pay to the extent of that issue before you commence drawing afresh upon the revenue of the succeeding quarter; it may vary sometimes three, sometimes four, and sometimes five days; but in this case it went on for a much longer period.

4117. You have Exchequer Bills in your custody; the Exchequer send you Exchequer Bills, do they not?—Ways and Means Bills are sometimes issued in lieu of money; but they are usually issued to the Bank, and the Bank places the amount of those Bills at par to the credit of the Paymaster-general's cash account.

4118. How long do you keep those Bills?—They are securities issued to the Bank; they are issued to the Bank for an advance of money to the Government.

4119. I am speaking of the actual custody of the Bills; how do you keep them?—Those Ways and Means Bills never pass actually into the hands of the Paymaster-general; they go direct from the Exchequer to the Bank of England.

4120. Have you no Exchequer Bills?—The ordinary Supply Bills which are issued by the Exchequer to the Paymaster-general to exchange bills which are advertised to be paid off are issued to the Paymaster-general.

4121. Under what custody are they kept?—They are in the custody of three officers of the department, and are placed in an iron chest having three different locks, each officer holding a separate key.

4122. Are you satisfied with the custody of those bills?—Yes, quite so; I think them quite safe; they are only issued to the Paymaster-general the day before the bankers call for them; and, generally speaking, nearly the whole amount is issued on the first day of the exchange.

4123. What is the largest amount at one time?—The largest exchange may have been about 9,000,000 *l.*; probably the next day they might be reduced to 100,000 *l.*; and until the day previous to the issue they remain in the custody of the Exchequer, under similar regulations.

4124. There is a return which has been sent in of advances made for any services not voted by Parliament or sanctioned by statute. I see that for Labuan there has been an expense, from the 1st of April 1854 to the 4th of April 1855, of 1,564 *l.*,

1,564 *l.*, advanced from the general balance, and not yet repaid; will you explain how that is?—With regard to Labuan, for several years it was a voted service, and it was determined at last to discontinue the vote; but subsequently to that, bills, which had been previously drawn from Labuan, were presented for payment, and the Treasury were bound to accept the bills; but there has been, I believe, a correspondence with regard to the recovery of them from the colonial funds; they will ultimately be repaid.

4125. Where from?—Out of colonial monies.

4126. Then it is an advance?—Yes, which may be considered as belonging to the civil contingencies for the period; it is the practice of the Pay-office when an account is overdrawn, to show the overissue, and not to sink it under civil contingencies.

4127. There is 564 *l.* prior to April 1854?—That was the sum; there were two sets of bills drawn and presented subsequently to the vote having been discontinued, and both sums are in the same condition; they were bills drawn, and probably sufficient notice was not given to the colony after the discontinuance of the vote; the bills were drawn in the interval.

4128. But there was an excess over the vote of 1853-54?—There was no vote after 1854, I believe.

4129. There was an excess over that vote?—Yes, there was an excess over that vote owing to those bills coming in after the vote had been discontinued; those bills would have been paid out of the vote of 1854-55, if it had been continued.

4130. There has been not only an excess for that year, but a further expenditure in the year after?—Both of them are in the same condition; both sets of bills were drawn after the final vote had been taken.

4131. There has been no vote taken this year for it?—No, nor the last year; I am not certain whether there was anything the year before.

4132. Mr. *Wilson.*] It is expected to be repaid?—Yes.

4133. That is the reason why it has not been voted; that a correspondence has been going on with a view to its repayment?—Yes.

4134. *Chairman.*] There has been a correspondence between the Treasury and the Pay-office?—No, between the Treasury and the Colonial-office, I believe.

4135. Can you furnish the correspondence?—It is not a matter that rests with my department; that is the explanation I have received from the Colonial branch of the office.

4136. I see also by a paper delivered by the Assistant Paymaster-general, 4th of July 1856, that there is a sum of money payable to the Exchequer of 53,959 *l.*; can you give an explanation of that?—All those are monies which probably have arisen from transfers from the various departments of the Army, Admiralty, and Ordnance, which accumulated to the end of the quarter, and are paid over to the Exchequer in one sum.

4137. But they were not paid over to the Exchequer?—No, they were not paid over at that date; they were held as payable to the Exchequer at the usual period.

4138. They are held as deposits?—Yes, payable to the Exchequer, under Treasury regulations.

4139. Why were they not paid over on the 31st of March?—Because under the Treasury Minute of May 1848, it was decided that they should be paid over every quarter. They arise from transfers and not from cash paid in. The great bulk of those receipts come in at the end of the second month of the quarter; they are generally paid over early in the following month.

4140. If that is the general practice, I want to know how, if those were received in February, the second month of the quarter, there remained at the termination of the year 53,000 *l.*?—In all probability those were transfers on the very last day of the year, on the 31st of March, from the different departments; these transfers are made on the last day of every month.

4141. Would there be any difficulty in preparing an account of the monies paid over, and when they were paid into the Exchequer?—No. For all old stores, the monies are directed to be paid over once a quarter, because they are only accounted for quarterly to the Naval and Military departments.

4142. Sir *James Graham.*] You, with your own hand, laid the foundation of the Naval ledger?—Yes, some 25 years ago.

4143. And know it thoroughly?—Yes; but I have not seen the books since I left that department in 1838.

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4144. You know the principle of it?—Yes, I do; I framed the books, and I know the practice.

4145. Were you consulted when that system of account was extended to the Army department?—Yes; I was the person who framed the books in the War department.

4146. Are the books in the War department framed exactly on the model of the Naval books?—Yes, they are framed precisely on the same plan as the Naval accounts.

4147. We have heard to-day, from the Inspector of Audit, that there are some changes in practice in the Army accounts, varying from the distinct practice of the Naval accounts; are you cognizant of that variation in the details?—No, I have no recollection of having been consulted with regard to any changes in the mode of keeping the accounts; when once my duty of introducing the books was completed, I had nothing further to do with them.

4148. With your knowledge of the Naval accounts, and your experience of the working of that system, would you be slow, if consulted, to sanction any change in the details?—I should be very unwilling to sanction any change, unless it were such improvements as could be extended to the whole, in order to preserve a uniform arrangement of the whole of those great accounts.

4149. You think that uniformity, with reference to those great accounts, not only facilitates the audit, but is sound in principle, and ought to be maintained?—Certainly.

4150. No changes in the one varying from the other would *à priori* receive your sanction?—I think not; I think those are matters which the Treasury should, perhaps, look more into than they do at present. Each department should receive from the Treasury instructions as to the mode of keeping its accounts; and the Treasury should inspect them in all the departments, that they may be established upon some uniform basis; for if we are ever to embody the whole of the public accounts into one, they should be kept on the same system.

4151. We hear of two sets of accounts being kept in the Army, whereas there is only one great account kept in the Navy; you are aware that the great object in the Navy was, to establish one large account, and to get rid of the sub-accounts?—Yes. The Army is now undergoing a great change, by throwing together several departments, and the accounts will now necessarily be consolidated. It might be very desirable to watch the change that is going on in that office, to secure uniformity.

4152. Is not this a good opportunity for having one Army ledger, the same as there is one Naval ledger?—I think it might be difficult at present, because the departments are not under the same roof; one is at Whitehall and the other is in Pall-mall.

4153. That is so with regard to the Navy, excepting that all the expenditure, as well as the account, is conducted under one roof?—Yes. It is not so in the Army.

4154. Would it not be possible to make the arrangements as to the Army correspond with those of the Navy, and have under one roof all the expenditure and only one set of accounts?—That is absolutely necessary, and I believe they are building new offices for that purpose.

4155. A letter from Mr. Brooksbank to Mr. Lichfield has been given in to this Committee, bearing date the 30th of January 1849; are you cognizant of that letter?—Sir Charles Trevelyan begged me to lay it before the Committee.

4156. Have you read it?—Yes.

4157. Does that letter, or not, confirm your view of the prudence of keeping only one book in the Paymaster's office, and that of a simple kind, a debtor for receipts and a creditor for payments, getting rid of the two sets of books?—Mr. Brooksbank's views and my own entirely coincide upon that point.

4158. Therefore all the experience of Mr. Brooksbank, so far from being at variance with what you recommend, sustains your recommendations?—Yes, I think so; that letter proves it, I think, clearly.

4159. Mr. *Cardwell.*] You have said that for the imperfect control of the Exchequer might easily be substituted a perfect Parliamentary control, through the medium of a concurrent audit?—That is an arrangement, I think, which it would be desirable to adopt.

4160. If such Parliamentary control should be established through the account of the audit, would it not be possible, without any inconvenience to the public service, to subject the cash account of the Paymaster-general to that control?—There

There is no difficulty at all in doing that. I am afraid it would be very inconvenient to disturb the present mode of dealing with the cash account; there is a large business connected with it, and it is very much connected with those great accounts which are kept in the Naval and Military departments; if you were to take it away from the Paymaster and place it elsewhere, the result would be that those great departments, instead of receiving a simple debtor and creditor account from the Paymaster of all the receipts and payments applicable to their accounts, would receive two accounts, one-half from one department and one-half from another. The Paymaster could not carry on his business unless he was fully cognisant of the whole of those cash transactions; he would not know what sums he had to draw upon; you must leave the cash account with the Paymaster-general. If it is thought necessary, there will be no difficulty in subjecting that account to such an audit or revision as you have already established in the great departments; all those transactions which appear in the cash account of the Paymaster-general, and which have reference to naval and military votes, do now pass under the review of the auditor; and although in the accounts of those great departments, to that extent, it would be duplicate work, still there are other monies with regard to the deposit accounts which do not pass under the review of the auditor, and the attention of the local auditor might be especially directed to those monies.

4161. Such an audit as you have last spoken of would have the effect of extending to the Paymaster's cash account that control which the Comptroller of the Exchequer cannot exercise over it, and does not now, even in theory, exercise over it?—It would place those accounts under a control which no Exchequer system, such as is now established, can ever reach.

4162. Sir *James Graham.*] I find that Mr. Brooksbank states his conclusion in these terms: "I come to the conclusion that either the Pay-office should be united to the Exchequer, or the Exchequer to the Pay-office, and that the basis of our accounts should be again, as formerly, payments, not credits;" is that a summary of your view?—Yes, precisely; in several of the answers I have already given I have endeavoured to express that as strongly as I could. I find, in looking through Dr. Bowring's Reports on the French accounts, that at a very early period of their reforms, the French found it necessary to lay down that principle before they could proceed with them.

4163. Mr. Brooksbank's preconceived opinions were opposed to the changes that were introduced?—He had been brought up entirely under the old system; but his knowledge of all those matters was very extensive.

4164. His letter bears date in 1849, and is the result of his last experience?—Yes; I believe he died not very long after.

4165. *Chairman.*] Will you explain how you would propose that the Pay-office should, without any check, issue money on order to the different departments, without any sanction of the Treasury?—The Pay-office must always have the sanction of the Treasury for those issues, because they must obtain the money from the Treasury as they now do; at present the Treasury does not interfere with the regulations of the great departments with regard to drawing upon the Paymaster, they merely place the funds in the hands of the Paymaster to remain at the disposal of the departments that are empowered by law to draw upon them.

4166. The theory was, that the Treasury by issuing a credit for the department was a check upon the expenditure of the department?—Yes. It is very necessary that the Treasury should continue that control; in the last year, it was found necessary that the Treasury should communicate with the departments when their expenditure was proceeding at too great a rate, and which threatened to involve them in difficulties at the close of the year. The Treasury in all cases where they find that the departments are spending money faster than they think right, call upon them for explanations, in order that they may judge whether it is proper that they should go to Parliament for further powers.

4167. You think that the Treasury should hold some check upon the issues to the different departments?—I think the Treasury should have a far better check than it has at present. I would increase the check, and for this reason, that the system of credits embarrasses the Treasury as much as it does the other departments; I think the Treasury should have a daily return of all the payments by the Paymaster, and that they should charge actual payments against the votes in their books instead of charging the credits.

4168. Will you explain to the Committee how the Treasury is to exercise that

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check upon the department without looking to the votes?—I think the Treasury should keep a daily account of the expenditure applicable to the votes.

4169. The Treasury must upon each vote have an account of the expenditure?—They should have the annual vote, and they should have the daily payments out of that vote returned to them by the Paymaster.

4170. Supposing, for instance, the Woods and Forests were to be expending largely, how would there be any check upon the department?—In this way. It would give the Treasury a knowledge of the progress of the expenditure, and they might call upon that department for such explanations as they thought necessary from time to time.

4171. Supposing the department still went on, and brought in large demands, as I understand you, provided they did not exceed their vote, you would pay them whether you had credit or not?—As long as the department kept within its grants, the Paymaster would be justified in paying.

4172. There would be no check upon the Paymaster whatever, nothing to prevent him from paying from day to day, the whole vote in that month?—If the Treasury had a daily return from the Paymaster, they would always be able to check that; they would see the progress of the expenditure as compared with the vote, and call for explanations in time.

4173. What would be the practical way in which the Treasury would desire the Paymaster to stop the votes?—If the Paymaster returned to the Treasury, the amount of his payments under all the separate votes, the Treasury, when they came to record them in their books, afterwards, would see at once whether the departments were spending more than they thought they ought to expend; they would not wait till the vote was exhausted before they called for explanations; they would call for them at a much earlier period, and they would be able to establish some check to prevent an excess upon the aggregate of the grant.

4174. What practical means have you at the Treasury to stop further payment of the expenditure; would you write to the Paymaster not to continue his payments or in what way would you check it; it is now checked by the Treasury not giving credit, or it ought to be?—There is no greater check at present than would exist under the other plan; the Treasury could as easily stop the payment as the credit.

4175. Not as construed by the Pay-office, but as framed in the Bill as supposed in the Report. It was one of the views of the Report that the Treasury should previously see what the deficiencies were, and return what was expected to be wanted, and that it should be examined at the Treasury, and the Treasury should then send the credit that was necessary?—The same thing would arise now. Suppose a larger credit were demanded than remained upon the balance of the vote, the Treasury would have to state to the Paymaster whether he was to stop payment or not.

4176. Mr. *Chancellor of the Exchequer.*] Do you remember that at the end of last July it happened that the Army and Navy were in advance of their Estimates, and that the Treasury called upon them to prepare increased Estimates to be laid before Parliament?—Precisely; that was done before Parliament broke up.

4177. Instead of calling upon the department to diminish the expenditure, they called upon it to make supplemental Estimates, in order to enable the Government to provide additional ways and means?—Yes. The Treasury called upon the departments to review their expenditure with reference to the Estimates they had already submitted to Parliament; and the consequence of that was, that they convinced them that their Estimates were too low, and they prepared supplemental Estimates, which were laid before Parliament, and additional votes were obtained. Then the Treasury came forward to Parliament and took additional ways and means.

4178. Those additional Estimates were prepared in consequence of suggestions from the Treasury?—In consequence of the Treasury control over those departments.

4179. Sir *James Graham.*] You presume a daily knowledge on the part of the Treasury, under the system suggested, of the exact state of the cash account under each vote; and also you presume the subordination of all the departments to the supreme authority of the Treasury?—Clearly so.

4180. Those are the two assumptions?—Yes; I apprehend that without subordination there can be no control at all.

4181. Upon those two assumptions of daily knowledge, and the effective control which

which should be exercised, you think, with concurrent audit, the system would be perfect?—I think it would be very stringent.

4182. You would also recommend early and frequent communications by the Audit department to Parliament?—As frequently as necessity might arise.

4183. Sir *Henry Willoughby.*] If the control of the Treasury breaks down, who is to carry into effect the powers given?—Parliament must be the last resort in all those cases.

4184. Do you deny that there is a necessity for some controlling power?—I think that the Treasury control upon the public expenditure at present is weak, and that it is owing in a great measure to a defective knowledge of the actual proceedings of the departments.

4185. The *Chancellor of the Exchequer.*] And partly to a mistaken reliance upon a system of control which is not really operative?—The theory is, that that control rests now not so much with the Treasury as it does with the Exchequer; but the Treasury, wherever they can, bring their control to bear too.

4186. Sir *James Graham.*] Is not the object of the Legislature to concentrate and accumulate control in the Treasury?—I think it should be so, as the responsibility ultimately rests with the controlling department of the Government.

4187. *Chairman.*] Is it posssble for the Treasury, without knowing as much as the Admiralty, to control the Admiralty expenditure?—The Treasury have exercised a general control. I do not say that they can do it in details, but they can in great matters, such as the Admiralty taking a short vote; last year the Treasury forced that department to go to Parliament with a supplemental estimate. They did the same thing with the Ordnance. The Ordnance again broke down, towards the close of the year, and the Treasury forced them a second time to lay before Parliament another supplemental estimate. In great matters of that kind the Treasury control can be brought to bear, but it cannot reach details.

4188. With regard to the supplemental estimate, there was a vote last year and a credit for 3,000,000*l.*; what has become of that vote?—It has been issued; the whole of the extraordinary expenses of the war are conducted through the Commissariat Chest account. The whole of that money is issued for the payment of Treasury bills, which are drawn on account of the extraordinary expenses; an account will be prepared by the Audit Board itself, showing the application of that vote of credit.

4189. You have already a vote in excess on the part of the Navy, have you not?—Yes; but there is a very large excess in the Commissariat, an excess also in the Army, which the vote of credit covers.

4190. Have you already a vote of excess on the part of the Ordnance?—No, I think not. The second supplemental estimate which the Treasury forced the Ordnance to take on the meeting of Parliament, was taken before the year had expired; it was not an excess upon the closed account; the final account of the expenditure for the Ordnance will not be prepared till next year.

4191. It is the same with regard to the Navy, is it not?—The Navy took a vote this year for the excess of 1854-55; the Ordnance were supplemental votes for the year ending March last; those accounts will not come forward till next Session.

4192. But they are supposed to meet, so far as the Navy is concerned, the whole of the expense of the year 1855-56?—The year ending March 1855.

4193. It is not so with regard to the Ordnance?—The vote which appears in the Appropriation Act of this year was to provide funds to carry on the Ordnance service up to the 31st of March 1856.

4194. Was it expected to cover the whole, or is there a deficit for the year 1855-56?—We shall not know that till next year, when the accounts will be furnished.

4195. Still you have 3,000,000*l.* to meet the Army deficit?—That vote of credit was not taken solely to cover the deficit upon the estimates of those departments, but to meet a number of extraordinary expenses which are not provided for in those estimates. There are numerous expenses incurred in the Crimea and at Constantinople which are not provided for in the ordinary estimates of those departments.

4196. Any excess on the votes you will have 3,000,000*l.* to meet, will you not?—Yes; the final Army account for 1854-55 came in only yesterday. There is no large deficit on that account; there is a very large one in the Commissariat; and probably next year there will be another large deficit in the same account, the whole of which will have to be made good out of that vote of credit.

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4197. What I want to know is this, whether Parliament, having given you 3,000,000*l.* over the votes for the war, you have not also taken a further supplemental vote to meet your deficit in the Navy and in the Ordnance?—Those supplemental votes apply to the ordinary estimate of the department, and not to the extraordinary expenditure at the seat of war.

4198. Besides this supplemental vote on the part of the Navy, are you going to apply any part of the 3,000,000*l.* to the Navy?—I do not think the Navy will want any part of it; it will be entirely required for the Army, the Commissariat, and the Ordnance.

4199. But with regard to the Ordnance?—I think, very likely the Ordnance will require part of the vote of credit on closing those accounts; there are various expenses which are not considered to belong to the ordinary estimates of the department, and which will be thrown upon the vote of credit. A separate account of the application of that vote of credit will be prepared by the Audit Board, and submitted to Parliament as a separate account, next year probably.

Lunæ, 14° *die Julii*, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. G. A. Hamilton.
Mr. Henley.	Mr. James MacGregor.
Mr. Wilson.	Mr. Cardwell.
Mr. Williams.	Sir Henry Willoughby.
Sir James Graham.	Mr. Chancellor of the Exchequer.
Mr. Hankey.	

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

Edward Romilly, Esq., and *Charles Macaulay*, Esq., called in; and Examined.

E. Romilly, Esq., and *C. Macaulay*, Esq.

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4200. *Chairman.*] (To Mr. *Romilly.*) WHAT office do you hold?—That of Commissioner of Audit.

4201. How long have you held that office?—Since the beginning of 1836.

4202. How long have you been Chairman of the Board?—Since May 1854.

4203. (To Mr. *Macaulay.*) What office do you hold?—That of Secretary of the Board of Audit, since March 1854.

4204. (To Mr. *Romilly.*) What is the tenure of the Audit Board?—The tenure of the Audit Board is during good behaviour. *Quamdiu se bene gesserint.*

4205. Are they appointed by the Treasury?—Yes.

4206. They hold under Act of Parliament?—Yes, and their salaries are payable out of the Consolidated Fund.

4207. Is it the same with the establishment?—No, it is not; and their salaries are voted by Parliament.

4208. Does Mr. Macaulay hold during good behaviour, or during the usual tenure of official men?—During the usual tenure. The Board have the power of dismissing any of their officers; but although they have the power of dismissing any of their officers, practically, there is always an appeal to the Treasury from the decision of the Board. Under our patent we have the power of dismissing any of our officers, but the Treasury would in reality have the power of re-appointment, if they thought fit.

4209. I suppose, practically, that that never or rarely comes into operation?—Practically, it does not.

4210. The Committee have had before them the officers who inspect the accounts of the Army and Navy, and Ordnance, in the Appropriation Audit; are those officers appointed by you, or are they appointed by the Treasury?—Those officers are appointed by the Treasury. We have the power of promoting within our own office. The inspectors, however, are appointed by the Treasury, upon our recommendation, and of late years the Treasury have always acceeded to our recommendation; but with respect to the Inspector of the Army and Navy Accounts, he is appointed by the Treasury without our recommendation.

4211. Direct?—

4211. Direct?—Yes.

4212. Had the officers who were appointed been officers of your department?—The first officer who was appointed was Mr. Hoffay, who was temporarily employed in our department; Mr. Vine, the second who was appointed, was an established officer.

4213. Were they both appointed by your recommendation, or not?—Not upon our recommendation. I may, however, be allowed to add, that no one can think more highly of those two gentlemen than I do.

4214. Mr. Hoffay had been in the Commissariat, I believe?—Yes. But being still in the Commissariat, he was attached to our office at the time of his appointment.

4215. Are those officers solely responsible to you, and do they report to you, or do they report direct to the Treasury?—They report direct to us.

4216. Have you the power of removing those officers if you should be dissatisfied with them. I do not mean of dismissing them; but if you thought that an officer, however good he might be, was not particularly adapted for the work that he was employed upon, have you the power of changing him?—I imagine that we have the power under the patent of doing that, but I doubt whether we should exercise that power without referring to the Treasury, as the appointment was made originally by the Treasury for that special duty.

4217. With regard to those under him, what is the case with them?—They are placed there entirely by us.

4218. You would remove them as you please, would you, according to your own opinion?—Certainly.

4219. Will you state to the Committee what the accounts are that you audit, and what are the accounts that you do not audit?—The accounts which we audit will be best found by a return which has been already made to Parliament as to the present state of our business. In addition to that, there is a printed list of accounts which we audit, which could be put in, if the Committee wish it. That is the general register of the accounts of the Audit Office (*handing in the same*).

4220. Have you got a list of those accounts which you do not audit?—I have had a short statement made out, taken from the Miscellaneous Votes, showing under that head the number of accounts which we do not audit.

4221. How many are there?—I think they must be somewhere under 100. Out of the Miscellaneous Estimates, and the Revenue Estimates together, which in 1855-6 amounted to 11,329,392 *l.*, there is examined in the Audit-office, 9,184,500 *l.*, and not examined in the Audit-office, 2,081,197 *l.*, leaving 63,695 *l.*, a portion of which may be examined in the Audit-office; but this statement may not be perfectly accurate.

4222. Of that 9,000,000 *l.* that you audit, can you tell the Committee how much is finally examined, or how much is what is called checked by the appropriation audit?—None of it is checked by the appropriation audit, with the exception of the sums voted for the Woods and Forests and Works departments.

4223. The whole of that is finally audited, is it not?—The whole of that amount is finally audited in this way: imprests are made to public accountants; they are charged with those imprests in our books, they are called upon to account for the sums which have been so issued to them, and we see that they have duly accounted for those sums by proper vouchers.

4224. What power has the Treasury of sending accounts to you?—The Treasury, I imagine, have the power of sending to us any accounts that they think fit, with the exception, perhaps, of some accounts which by Act of Parliament have been directed to be accounted for in some other way; but even with respect to those, it has happened that the Treasury have called upon us to report upon those accounts in some instances. There was the instance of certain accounts of Mr. Swabey, who was the Registrar of the Admiralty Court. That account was directed by Parliament to be disposed of in a different way; but the Treasury sent us those accounts to report upon. We did not audit them, but we reported upon them.

4225. When once an account is sent, what power has the Treasury of withdrawing an account from you?—The Treasury have the power, I imagine, of issuing money without account if they think fit; and therefore, although they may have issued money upon account, yet they may change their minds afterwards, and withdraw that account from us.

4226. With reference to the question of the army expenditure and the commissariat

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commissariat expenditure, the commissariat expenditure used to be fully and finally audited by you?—Yes.

4227. That was transferred to the army, was it not?—Yes.

4228. Have the Treasury full power at any time, without the sanction of Parliament, to withdraw any account from you and to send it to any other auditors?—I should imagine so, unless Parliament directed that the account should be audited by us.

4229. Can you state to the Committee whether there are any accounts which are specifically sent to you by Parliament, which the Treasury cannot withdraw. With regard to the navy expenditure, by Act of Parliament the appropriation account would be fixed with you, and probably the Treasury could not get rid of it?—Certainly not. There are the Army and Navy Votes of Parliament, the sheriffs' accounts, the county courts accounts, and many others which come to us under Act of Parliament.

4230. With regard to the great accounts, are they generally sent to you by Act of Parliament, or by the power which the Treasury have of sending to you any account which they please?—I think that the larger number of accounts, and certainly the most important, have come to us under Act of Parliament, and not under the Treasury. The Revenue accounts, the Bank accounts, the Colonial accounts, the Paymaster-general's account, the account of the Paymaster of Civil Services in Ireland, the Poor Law accounts, have all come to us under Act of Parliament, and many others might be mentioned.

4231. I see that the salaries of the Public departments, the Votes of the two Houses of Parliament, the Treasury, and the three Secretaries of State, all those do not appear to be audited by you at all?—No, they are not.

4232. The prosecutions at assizes and at quarter sessions are not audited by you?—No; they are not.

4233. The greater part of those, if I am not inaccurate, appear to be comparatively small sums that are not audited; though there are a good number of votes, yet those seem to be not very large sums that are not audited by you?—Their amount is not large.

4234. The civil contingencies are not audited by you, I see?—The civil contingencies are not audited as civil contingencies. There may be issues made out of civil contingencies which may possibly be audited by us. That is to say, there may be an account which we do audit, and a portion of that expenditure may be charged to civil contingencies afterwards; but we do not audit the account as the account of civil contingencies.

4235. Will you state to the Committee the course that an account takes with you?—An account comes to us either by the direction of an Act of Parliament; or from the circumstance that the Treasury have made an issue upon account; or that bills have been drawn, and that the Treasury, having sent to us the advices of those bills, states that they have been issued upon account, or that payments have been by a head accountant to others upon conditions which render them liable to account. We then charge the accountant in the books of our office with the sums so issued to him, and then a requisition letter is sent to the accountant to render an account of that sum so issued to him; and the account, when it comes back into the office, is placed in the hands of an inspector, and is inspected, in order to see that the balances are in safe custody, and to see whether there is any unusual or large expenditure which should attract attention immediately; the account is then put into the hands of the examiner, who goes through the examination of that account with the authorities and vouchers, and the inspector frames queries where it may be necessary. When those queries have been answered, he lays the queries and the answers before a committee of the Board, which always consists of two, to decide upon those answers, and then the account is made up into what is called *the state* of the account, which is first audited by a committee of the Board, consisting of two, and the account is then transmitted to the Treasury, for their final warrant. It is returned to us with the warrant of the Treasury, and it is then signed for declaration, or for passing, as the case may be, and it is subsequently declared before the Chancellor of the Exchequer.

4236. What do you mean by the final warrant of the Treasury?—An account is sent to the Treasury, under the Act of Parliament, in order that they may consider all the particulars of the account. The words of the Act, I think, are, that

that after due consideration of all particulars, the Commissioners of the Treasury shall grant their warrant.

4237. What does their warrant do; does it approve it and pass it?—It is a warrant to declare the account; it is approving of it.

4238. It is authorising you to prepare it for declaration?—Yes.

4239. With regard to the declaration by the Chancellor of the Exchequer, what is the effect of that; is that the final settlement of the account?—That is the final settlement of the account.

4240. The account is then closed?—Yes.

4241. Now, what power, during the course of these proceedings, have the Treasury to allow items, or at all to interfere in the arrangement of the account, or in the settling of the account, before it comes before them in a formal shape?—The Treasury, we consider, have no power whatever of directing us as to the mode in which we are to examine or audit accounts; but, in consequence of their authorising the expenditure, and as it not unfrequently happens that we find that an item is not, as we consider, duly authorised, we write to the accountant and ask for the authority justifying that payment. In many cases the accountant, instead of answering our question, goes to the Treasury with the view of supplying what he considers the authority for that payment; but we have always considered that the authority given in long after the expenditure has actually been incurred, is, in point of fact, not an authority, but an *ex post facto* sanction; and though in such cases we have received Treasury letters, directing us to allow the amount in the accounts, we have thought it right to disallow the amount, because it was not duly authorised; and we have been enabled to do that in consequence of the specific provisions of an Act of Parliament to the effect, that we are not to allow in any account any sum which is not duly authorised; and having so disallowed it, we leave it to the Treasury, in their warrant upon the account, to allow that sum which we have disallowed; by such means compelling them to make it their act, and not ours.

4242. Has the Treasury no power at all, while the account is going forward, to direct you to allow a certain sum?—We consider that they have no such power as that; and I believe that it is an opinion which is also entertained at the Treasury, that they have no power of interfering with our mode of auditing accounts. The auditors have been always excessively jealous upon that point. Soon after the constitution of the Board, in 1806, there was a very important remonstrance written by the Board, in consequence of the Treasury at that time having directed them as to the way in which they were to audit some particular account; and the Treasury acquiesced in the views of the auditors, and withdrew their former directions.

4243. When an account came before them, the Treasury had the perfect power of allowing or disallowing anything?—I believe they have then the power of allowing or disallowing anything that they think fit. I look upon them, therefore, as the ultimate auditors of the accounts.

4244. You do not mean practically; but that gives them the power of really setting aside the audit, in whatever way they please, in particular items?—It gives them that power.

4245. It is not very much in the habit of doing it, I suppose, except upon the recommendation of the auditors?—Hardly ever; I do not think it is their habit.

4246. The Treasury have the power, have they not, of issuing money without an account, or with such an account as they may direct, so that the account will not be audited by your Board?—Yes, they have full power of issuing money without account; I do not imagine that that power is limited, except by Act of Parliament, in any way.

4247. What is the meaning of a covering warrant?—(Mr. *Macaulay.*) Perhaps the honourable Chairman is referring to the Royal Sign Manual Warrant; that would cover many things which a Treasury warrant could not reach. (Mr. *Romilly.*) I think it means merely a warrant to authorise the expenditure; to cover the expenditure; covering all the items contained in a particular list.

4248. It is not a word that is properly used?—It is not used in any technical sense.

4249. At present you audit all the revenue accounts?—Yes.

4250. If the Committee want any information with regard to the revenue accounts, and the mode of auditing them, probably the inspector would be the

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the proper person to call?—He would probably be able to give the Committee more accurate information upon the subject than I could.

4251. As to the Miscellaneous Estimates, can you state in what way they came to be audited by you; those that you do audit; are they audited in the Paymaster's accounts only, or do you audit the accounts themselves?—With respect to the list I have put in the accounts themselves are audited, independently of the Paymaster-general's account, he being merely the banker, who, among his payments, makes issues to be accounted for by others.

4252. Did you audit the Duke of Wellington's funeral account?—No. Payments would, however, be made on account of the Duke of Wellington's funeral in the Paymaster-general's account.

4253. In auditing the Paymaster-general's account do you look at all to the dates of the monies issued, the credits, and the payments?—No, certainly not. We should not examine the issues and expenditure on account of the Duke of Wellington's funeral with reference to the vote for that service.

4254. It appears from the evidence we have before us, with reference to large sums issued for the Duke of Wellington's funeral, that payments for some time were not at all equal to the amount drawn; would that in any shape come before you?—In no shape whatever, that I am aware of. We should not know the amount standing at any particular date to the credit of the Paymaster-General on account of that service; nor, if we did, should we remark upon it.

4255. You would not in any way, then, check the sum that was issued to the Paymaster for the Duke of Wellington's funeral?—No; in no other way than this. We should ascertain that the Paymaster had duly charged himself with this sum, as with all other sums issued to him from the Exchequer, as shown by the statements of the Comptroller. We should also see in the Paymaster-general's account that payments taken credit for on account of the Duke of Wellington's funeral, were made on a proper authority from the Treasury, and that there was a proper receipt which showed that that authority had been duly carried into effect. We should be satisfied with this.

4256. You would not ascertain what had become of the remainder of the money in any shape, or would you ascertain that?—No; they would be simple sums brought to credit and payments taken credit for by the Paymaster in his general account; we should not keep a separate account at all in respect of the expenses of the Duke of Wellington's funeral.

4257. How would you ascertain, that 80,000*l.* having been drawn for the Duke of Wellington's funeral, and about 40,000*l.* having been spent, that the Paymaster had that 40,000*l.* still remaining in his hands?—We should simply see that the gross balance at the end and termination of his general account was the proper balance.

4258. And looking into the particular balance of the Duke of Wellington's funeral?—Certainly not; no account would be rendered to us of that expenditure.

4259. In these payments, what do you take as a good authority; do you enter into an inquiry whether the authority has the power of issuing those orders, or do you merely take the authority of the Treasury, or the different departments?—With respect to the Paymaster-general's account, we should consider the Paymaster as an officer subordinate to the Treasury; and if the Treasury gave the Paymaster-general directions to make a payment, and he made that payment in accordance with that authority, he would be entirely exonerated, and we should give him credit for the sum paid under that authority.

4260. Without entering into the question of whether the Treasury was the proper authority, or whether it had given the proper order?—Without questioning whether the authority issued by the Treasury was a proper authority for the Treasury to issue.

4261. Would you consider that any order from the Treasury was a sufficient authority for the Paymaster to proceed upon?—If we saw that authority had been given by the Treasury, which we conceived to be contrary to any Act of Parliament, or our attention was drawn to it with that view, we should point out to the Treasury that such was the case. We should certainly give the Paymaster credit for the sum he had taken credit for under that authority.

4262. I will put to you the case of one of the departments paying in to the Paymaster old store money, and that that properly would have to be paid into

into the Exchequer; supposing that was not paid into the Exchequer, but by an order of some department, say the Treasury, it was applied to any other service, would you think it your duty in that case, at the Audit Board, to object to that payment?—I think we should question it. If the Admiralty had given an order that a sum should be paid into the Exchequer, and it was not so paid into the Exchequer, although owing to an order of the Treasury, I think we should question it.

4263. In what way would you question it?—We should point out that the Admiralty having given that order, it had not been carried into effect.

4264. But supposing an order had been given by the Treasury to pay this money not in the proper direction, how would you represent it to the Treasury, or to whom or in what way would your objection be made?—I think we should report the circumstance to the Treasury, and submit to them that this order appeared to us to be an inadvertence.

4265. That they had issued an order inadvertently?—That the Admiralty having given that order to pay money into the Exchequer, and it having been stopped by the Treasury, I should think we should point it out to them. It is a hypothetical case, and it is very difficult to say how we should act. It is a case which is not likely to occur.

4266. How do you ascertain that monies received by the Paymaster on account of payments of that kind are paid into the Exchequer?—The Paymaster-general takes credit for all the payments into the Exchequer by order of the Admiralty, or otherwise, and we receive from the Exchequer certificates of the sums the Comptroller has received.

4267. Do you compare them in your office?—I cannot say that the list of sums stated to have been paid into the Exchequer, and appended to the Admiralty accounts laid before Parliament, is compared with the Exchequer certificates sent to our office. I believe they are not. The appropriation inspector has a knowledge of the payments which are made on the Admiralty account, from a list of the payments received by the Admiralty from the Paymaster-general; and on that statement from the Paymaster-general (viz., of Admiralty bills returned as paid) he certifies that the payments have been made into the Exchequer. The actual receipts in support of those payments made into the Exchequer would appear, not with the Admiralty accounts, but in the Paymaster's account; and in the examination of the Paymaster's account, we should see that all payments made into the Exchequer had been made on a proper authority. I do not, however, conceive that a comparison is made between the two accounts.

4268. Do you check at all the dates of the order, or of the receipt in the Paymaster's office, and the date of the payment into the Exchequer?—I think not.

4269. For instance, suppose the sum of 10,000 *l.* were received at the beginning of the month, and not paid in till the end of the month; would that be observed upon in your department, or would it be sufficient if the money was paid in at the end of the month?—I do not think that would be observed upon in our department; but if, in examining the Paymaster's account, we observed any great discrepancy between the date of the order to pay and the date of the payment actually made, the Paymaster-general would be called upon for explanation.

4270. Your accounts come monthly, do they not?—The great majority of them come monthly; an alteration of that kind was made in 1848.

4271. Before that it was quarterly, was it not?—Annually: almost all the accounts that come by Act of Parliament come to us annually. The Paymaster's account comes monthly.

4272. And that used to come quarterly?—Yes, it did.

4273. Do you exercise in the Pay-office any check as to the appropriation. There appears in the account before the Committee, that sums have been spent for Labuan without any authority from Parliament. Would that be a subject of observation to you?—No, certainly not.

4274. You do not then compare the expenditure at all with the Votes of Parliament?—We do that only with respect to those services as to which we have been directed by Act of Parliament to do it.

4275. If you saw that there was the authority of the Treasury to make a payment for Labuan, that would be sufficient, and you would give the paymaster credit in his account for that expenditure?—Certainly.

4276. You have stated, have you not, that you do not audit the Civil

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Contingencies, except so far as they come before you in the paymaster's account?—Yes; yet there may be accounts which we do audit, a portion of the expenditure of which would fall on Civil Contingencies, but we do not audit Civil Contingencies as a separate account.

4277. With regard to the accounts of the Comptroller of the Exchequer, do you audit them at all?—No, we do not.

4278. Do you think that you ought to audit them?—I think that we ought.

4279. What part of his accounts ought you to audit?—I look upon the Comptroller of the Exchequer as an accountant. Public money is placed in his name; he gives a warrant for the issue of that money, and every warrant that he gives for the issue of that money seems to me to be a payment; and I think that, on those grounds, his accounts ought to be audited.

4280. Supposing there was a Treasury warrant which the Comptroller of the Exchequer had passed, how would you check it, or would you exercise authority to say that that was not a sufficient warrant?—I do not think that we should.

4281. It would be merely ascertaining whether there were sufficient warrants in point of number?—Just so. But there is another point of view in which it is important, as it seems to me, that those accounts should be audited, or at all events, that these should be sent to us with those accounts, the documents upon which the issues are founded. The Comptroller-general of the Exchequer sends us statements of the issues of money which are made with or without account. Now, the Comptroller-general has no power of issuing money with or without account, and his statement is therefore founded upon Treasury directions or upon Royal warrants, and we are satisfied with secondary evidence instead of having primary evidence. If the Treasury have got the power of issuing money without account, we ought to have that direction, as it seems to me, from the Treasury, not second-hand through the Comptroller of the Exchequer.

4282. As to the Comptroller-general of the Exchequer, everything in his office is by Act of Parliament a record, I believe; and therefore I suppose you could not have the actual record sent to you?—We might then have certified copies of them.

4283. You audit the accounts of the Woods and Forests and Works, by Act of Parliament, do you not?—Yes, we do.

4284. Did you audit them before the Act of Parliament, or to what audit were they submitted?—It was by the 10th of George the 4th that they came to the Audit Office originally.

4285. Since the passing of the Act which emanated, I think, from a Committee of the House of Commons, they have been audited by you entirely, have they not?—Exactly.

4286. They are so reported by you, and laid upon the Table of the House of Commons, are they not?—Yes, exactly; there is the appropriation audit as well as the ordinary audit to which they were subjected before the appropriation audit was directed.

4287. There is the audit and the appropriation report?—Yes. (Mr. *Macaulay*.) The account formerly came to the Audit-office under the 10th of George the 4th, c. 50, which abolished the auditors of the Land Revenue. Since that time they have been audited in detail by the Commissioners of Audit, until the 14th and 15th Vict., c. 42, was passed, which subjected those accounts not only to the detailed audit, but to the appropriation audit also.

4288. (To Mr. *Romilly*.) In what state are those accounts of the Woods and Forests now?—The accounts are laid before Parliament now annually; and I believe that they have always been laid before Parliament at the regular time.

4289. With regard to the account of the Woods and Forests, is that laid before Parliament this year?—The last year for which the account of the Woods and Forests has been laid before Parliament is for the year ending 31st of March 1855, which was laid before Parliament in March last.

4290. That is the regular time, is it not?—Yes.

4291. I see here "Commissioners of Her Majesty's Woods, Forests, Land Revenues, Works and Buildings. Usual period for which the account is rendered: Annually. To what date received in office: 9th October 1851. To what date examined: 9th October 1851. To what date finally audited: 31st of March 1848." And again, the Woods, Forests, and Land Revenues do not seem to have been finally audited since 1848?—That is the detailed audit of the accounts.

4292. And "Commissioners of Her Majesty's Works and Public Buildings." They do not seem to be finally audited; no particular date appears to be given

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given when they were finally audited; but they were only examined up to the 31st of August 1855?—The final audit of those accounts has been very much delayed, in consequence of the difficulty which we have had in getting what we consider to be proper authorities and vouchers in support of the expenditure of the accounts.

4293. I see, in this Report, that you have made what you call a classified abstract of the account; that year after year there are complaints of your not being able to get the necessary authorities and the necessary information to enable you to frame your report; is that so?—There has often been very considerable difficulty in getting the necessary information.

4294. What means have you of obtaining the information, supposing the department, year after year, fails to give it to you?—We have power, no doubt, with respect to the ordinary accountants, of issuing our precept, and obliging them to come before us with the documents that we require.

4295. Have you represented to the Treasury that you have not been able to get those Returns?—We have, on several occasions.

4296. What steps have the Treasury taken upon that?—The Treasury, I believe, have referred our report to the department in question, with an injunction that they would use their best endeavours to give us those documents which we required.

4297. When was the date of the Act of Parliament which referred to you this classified account?—The 14th & 15th of Vict. c. 42.

4298. What year was that in?—In the year 1851.

4299. Since that time, have you each year pointed out the inconvenience that has arisen from not getting sufficient data?—Yes, on several occasions.

4300. And you have not received those data yet?—We have not got the whole of the documents that we require.

4301. Have the Treasury done anything that you are aware of besides referring your report to the department?—I am not aware of any particular steps which they may have taken.

4302. How many reports of yours have come in and been laid before Parliament?—I am unable to answer that question.

4303. There was some question in the course of the correspondence with regard to the examination of the accounts that had already been checked by professional officers; I think they were for buildings which professional officers had checked, the particulars of how much was done under the contract; as to those accounts, did you complain of not having received the proper information?—I am not sure whether I might be allowed to suggest to the Chairman of the Committee that as the inspector of those accounts happens to be present, I believe that he would give more accurate information than I could upon the subject of those accounts.

Henry Thomas Dundas Bathurst, Esq., called in; and Examined.

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4304. *Chairman.*] YOU inspect the accounts of the Woods, Forests, and Works?—Yes, I do.

4305. There is certain information which you have not received from the department which has been required by the Commissioners of Audit for several successive years; is not that so?—Yes; there is a great deal outstanding upon the old accounts, prior to those which come under my inspection.

4306. Of what nature is the information that you require?—Principally it consists in the want of authorities; in a great many cases of the actual want of the vouchers themselves, but principally the want of authorities.

4307. The want of authorities for what?—Treasury letters, directing them to make the expenditure in discharge of their accounts; the approval of salaries, or the authority of the Treasury for salaries paid by them, and for wages of persons employed.

4308. With regard to the vouchers, what is the nature of the vouchers in which you are deficient?—The bills of particulars containing the charges, and describing what the work is which has been performed, and in some cases the receipts are wanting.

4309. There has been a correspondence with the Treasury in which they state that they thought it was unnecessary to examine in the department certain work that had been already examined by the professional officer; does this relate to the same class of work?—Yes; that does in a more recent account since 1851.

4310. But not in the older accounts?—No.

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4311. Since 1851 (I am not speaking of the old accounts, but since the transfer), has there been a difficulty in getting information with regard to those accounts which are annually reported to Parliament?—Yes.

4312. But that does not relate to the old accounts?—No. Our reports laid before Parliament have been confined strictly to the accounts subsequently to the 10th of October 1851. The report is confined to the account for the year submitted at that time.

4313. Then, that want of information is a want of information during those years?—Yes.

4314. You have not been able to get that information?—No; that is the bills of particulars and contracts for works

4315. Of what nature is that information which you cannot get in those cases?—It is the bills of tradesmen, showing where the work had been performed; the actual bills themselves, stating what the work is, such as bricklayers' bills, joiners', upholsterers' bills, and those things which are supplied out of the grant of Parliament.

4316. Those are not furnished to you?—No.

4317. Mr. *Williams.*] What is the last year for which the accounts of the Woods and Forests have been finally audited?—The year ending the 31st of March 1848.

4318. And no year subsequently to that has been thoroughly examined?—Yes; they have all been examined; they have never been brought to audit, and the state prepared and signed by two Commissioners of the Board. The state of 1848-49 is now under consideration.

4319. The accounts that were presented to Parliament in the month of March last year, as well as of the former years, have not been audited by you?—No.

4320. Sir *Henry Willoughby.*] Therefore, in point of fact, the provisions of the 14th and 15th of Victoria have never been carried out?—So far as examining the accounts we have examined them completely, and put all the questions which arose out of them; but it has never happened yet that we have got the queries answered in time, when the account was laid before the House of Commons.

4321. There are seven years' accounts outstanding still without a complete audit?—Yes, there are; from 1848.

4322. The accounts are published annually, are they not?—Yes.

4323. In the last account there was an item for expenses incurred in the management of the Woods and Forests put under one sum of 49,000 *l.* odd; how would you proceed to audit that sum in relation to repairs and other charges?—In the Woods and Forests we have the vouchers, and we should have all the details of that sum where all those repairs were made, the bills of particulars, and receipts, and the Treasury authority for having incurred that expenditure.

4324. Have you in the Audit-office that sum in detail?—Yes; I do not recollect any sum in particular; but whatever sum there is, we have the detail of it.

4325. Do you find any difficulty in getting the proper vouchers?—Yes; there has not been so much latterly as there is relating to the old accounts.

4326. But the fact is, that there has been no complete and legal audit account of the Woods and Forests subsequently to 1848?—No; there has not been.

4327. Mr. *Williams.*] Are you aware upon what authority the Commissioners of Woods and Forests make those payments, of which they cannot furnish you with the vouchers?—The proper authority which they should produce is the Treasury authority; but these vouchers have been wanted, not from the Commissioners of Woods, but from the Commissioners of Works and Buildings as a separate Board.

4328. Are those payments that you refer to made by the Woods and Forests?—Yes; it is from the Commissioners of Works that we want the bills of particulars. From 1833 up to 1851, they were all one Board, called the Commissioners of Woods, Forests, Land Revenues, Works and Buildings; but by the 14th & 15th Vict., in 1851, they were separated, and from October 1851 to the present time, they have been two separate Boards: the one is the Woods, Forests, and Land Revenues; and the other is the Board of Works and Public Buildings.

4329. The Commissioners of Woods and Forests, if I understand you rightly, made payments from the year 1848 to 1851, of which they cannot furnish the Audit-office with vouchers?—Yes.

4330. Mr. *Chancellor of the Exchequer.*] You were asked a question as to the sum

sum of 45,000 *l.*, which consisted of charges upon the land revenue; had you any difficulty in auditing the items composing that charge, or were you aware of the exact meaning of the question. It had no reference to the Board of Works, but it referred exclusively to charges upon the land revenue?—Yes.

4331. Have you had any difficulty in auditing the charges upon the land revenue?—No.

4332. Have your difficulties been confined to charges incurred by the Board of Works, for works done under the direction of Government?—Yes.

4333. Mr. *Wilson.*] Is it not the case that from the nature of the works the officers of the Board themselves must necessarily examine those accounts in detail. Take, for example, brickwork; the officers must examine the quantity of brickwork done; the officers must measure it, and from that they must determine the amount to be paid; all those accounts are therefore, in that way, necessarily examined in detail in the department?—Yes; but I think that we should see those certificates, that they have examined them in detail.

4334. But that is the distinction in the Board of Works which does not apply in any other department, that those accounts are examined in detail within the department?—Yes.

4335. There would be no difficulty in seeing, as your officer in the War Department sees, the vouchers relating to those accounts?—No, I think there would be no difficulty if I saw them.

4336. That is the great distinction between the Board of Works now, as a separate department, and that portion of the Board which was conjoined in account when they were a joint department, which distinguishes it from all other departments which you have to audit?—Yes.

4337. Sir *Henry Willoughby.*] In auditing the accounts of the Woods and Forests the officers of the Audit-office exercise no judgment as to whether the charges are right or wrong?—No, provided they are authorised by the Treasury.

4338. What is it that you look to?—We look to see that the expenditure has been incurred under the Treasury authority; and that the Treasury have directed them to make the payment.

4339. When you say the Treasury authority, what do you mean by the Treasury authority?—They have always been in the habit of submitting their expenditure to the Treasury, and having it allowed by warrant; but those we have not had since the 1st of April 1849. The Board seem to have entertained the idea that what was paid out of the Estimates voted by Parliament, and entrusted to them, might be spent without going to the Treasury, but the Treasury decided that that was not the case.

4340. But, adhering to the department of the Woods and Forests, what is the Treasury authority for expenditure in that department?—A Treasury letter or warrant allowing the expenditure; and, with regard to the Woods and Forests, they submit estimates annually, which the Treasury authorise them to pay during the year.

4341. What do you mean by a Treasury letter?—A letter signed by one of the secretaries of the Treasury.

4342. In point of fact, a Treasury letter signed by one of the secretaries of the Treasury is the authority under which you pass the accounts of the Woods and Forests?—Yes, the detailed expenditure.

4343. Mr. *Williams.*] Are the Committee to understand you distinctly to say, that the accounts of the Woods and Forests annually presented to Parliament have not been audited?—No, they have not.

4344. Mr. *Hankey.*] You referred to the accounts of the Board of Works previously to 1851 as not having been completely audited for the want of certain vouchers; have you any reason to suppose that those vouchers will ever be forthcoming?—Yes, I think in a good many instances it is very likely that we shall have them.

4345. To what do you suppose the delay of six years can be owing in not producing the vouchers for which you have applied?—I have no reason to know.

4346. Have you any reason to suppose that those vouchers for which you have asked will ever be produced?—Yes, I think they may; it is probable that they may.

4347. The subsequent accounts to 1851 have not been produced to Parliament, as audited by the Audit Board?—No. The detailed audit has not taken place;

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place; but the audit comparison with the Votes has been made regularly every year within the limited time.

4348. Has the complete audit which would, under ordinary circumstances be made, been delayed in consequence of the want of vouchers in those previous years?—Yes, it has.

4349. Then has there been a delay in producing the accounts of the years 1850, 1851, 1852, 1853, and 1854, owing to the want of the production of vouchers merely relating to a time previous to 1851?—As to the want of bills and particulars of contracts, that goes on to the present time.

4350. In every subsequent year, from 1848, there is a deficiency of vouchers?—Yes, of those vouchers, in every year.

4351. And yet application has been made to the Treasury, to show that that deficiency exists, and that the account, therefore, cannot be finally audited?—Yes. I am speaking of the want of bills of particulars, where the Treasury have stated that they did not think that they should come to us, and that they concur in the opinion that the professional examination is sufficient.

4352. Have you reason to think that it is on a question of principle that the Treasury refuse?—As to those bills of particulars, I think it is the case.

4353. *Chairman.*] Have you compared the course which you pursue in auditing those accounts with the course that is pursued at the Ordnance and the Admiralty in auditing their accounts; they have the same question with regard to their works which you have at the Woods and Forests?—So far as the Audit-office has to deal with the navy, I believe the Admiralty themselves have all the bills. The Audit-office only compare the expenditure upon the examined vouchers with the vote. In the Woods Department we have to examine the vouchers themselves.

4354. Mr. *Williams.*] You have stated that the amounts of the Parliamentary Votes have been audited in the Woods and Forests Department?—In the Works Department. There is only a very small vote for the Woods; it is only their salaries.

4355. But a very large amount of the expenditure of the department of Woods and Forests takes place without the authority of Parliament, upon the responsibility of the Commissioners and the Treasury?—Yes.

4356. The items are not examined, if I understand you correctly, before the accounts are sent in to Parliament?—Yes, we examine the account in detail complete.

4357. But not before the accounts are presented to Parliament about the month of March?—Yes, we do; the accounts have been examined in detail complete; we have gone through every item charged, and seen whether there is a proper voucher for it, and whether the expenditure was duly authorised or not.

4358. I understand you now to say that the accounts of the Woods and Forests presented to Parliament have not been completely audited?—No; they have all been examined; we call them audited when the state is drawn up and laid before the Committee of the Board, and considered by them, and signed by two Commissioners of Audit; that is what we call the final audit.

4359. *Chairman.*] Are the Committee to understand that the Appropriation Accounts since the passing of the last Act, the Abstract Accounts, are delayed in consequence of the difficulty arising from not furnishing the vouchers for those works, and as to which the Treasury say it is unnecessary to have the vouchers, or is there other information which you have not been able to get?—The authorities are wanting throughout all that period, namely, the Treasury warrants approving of the expenditure; and we can hardly proceed to audit them, because of bringing forward the balances from year to year, and therefore, the earlier accounts not being audited, we cannot audit the later ones.

4360. But the Commissioners state that they are unable to perform their duty satisfactorily in consequence of the want of information?—Yes; that is so.

4361. Does that want of information apply only to the vouchers for those works, with regard to which the Treasury, upon principle, think that you should be satisfied with the vouchers of the department, or is there other information besides, which is not furnished?—It expressly related to a great number of queries which had been sent, calling for vouchers, a great number of which had not been replied to.

4362. Mr. *James MacGregor.*] Does that answer apply to other business than the Board of Works?—No; to the Board of Works, I think.

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4363. Mr. *Chancellor of the Exchequer.*] Is there any difficulty as to the final audit of the last year's accounts of the Board of Works, or is the audit of the last year's kept open on account of the impossibility of closing the previous year's accounts?—They are kept open till the previous years are closed.

4364. Of course you cannot close the audit of the later years till you know what balance is to be brought forward?—No.

4365. If you knew what balance was to be brought forward, could you close the audit of the later years?—Yes; I think we could.

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4366. *Chairman.*] (To Mr. *Romilly.*) What power have you to compel the accountant to give in his information?—We have the power of calling the accountant before us by precept; we have the power then of swearing him, and of getting information from him in that way. The mere fact of the accountant being put to the expense of travelling, sometimes a considerable distance, for that purpose, is found in most cases to be sufficient to produce its effect; we get the account after we issue our precept.

4367. Is it practically with regard to ministers a power of the slightest value, or one that can be used?—It is not one that can be used as to the great departments; to call the Commissioners of Woods and Forests before us is a course which could not practically be taken, and therefore the remedy which we apply in such cases, is that of reporting to the Treasury on the subject, and getting such assistance as they can afford us.

4368. Supposing an accountant finally does not furnish his account at all, what is your sole remedy in that case?—We have a power by which we can apply to the Court of Exchequer. There is a clause in one of our Acts, viz., 1 & 2 Geo. 4, c. 121, s. 26, which states, "That if any person or persons whatever, who shall be required by the said Commissioners for auditing the Public Accounts, or the Commissioners of Colonial Audit, to attend them for the purpose of being examined upon oath, or who shall be required to produce any accounts, books, returns, vouchers, or other papers and documents relating to any public accounts, before the said Commissioners respectively for examination, shall fail to comply with the lawful requisitions of the said respective Commissioners, every such person so refusing shall be liable to the payment of such fine to His Majesty as the Court of Exchequer, on application made to the said court by the said respective Commissioners, or by His Majesty's Attorney general, shall think fit to set and impose; which fine the said court is hereby authorised and empowered to set and impose accordingly." Though that power is given to us, it is one which may be said not to have been exercised for a great number of years.

4369. Can you suggest to the Committee a mode with respect to accounts of this kind, where there has been a delay, which would be more effectual than the remedies which seem to be in your power now?—I have a strong opinion that it may be done by the very simplest process, which is somewhat similar to that adopted in France, where an accountant is liable to a fine of from 50 to 500 francs for every month's delay in returning his accounts. I believe that if that fine was imposed upon accountants, it would effectually check the delay in rendering accounts to us.

4370. Do you think that such a remedy would have any effect upon a Minister; say the First Lord of the Admiralty?—I was speaking rather of the ordinary accountants that we have to deal with, than of any very high functionaries.

4371. I want to ascertain how you would catch the great fish, not the small ones. Is there any means that you could suggest by which an office like the Woods and Forests should be brought before the public, or any other way, in order to bring the accounts right?—I think that there is only one remedy, and that is publicity; reporting to Parliament every year is the only way to set matters right.

4372. How many years have you reported to Parliament now that you have not obtained the necessary information to enable you to do your duty satisfactorily?—I think that is producing its effect. We are getting the accounts and documents much more regularly now than formerly.

4373. How long has that been so; since the appointment of this Committee?—There was a Report which the Audit Board sent on the subject of the last Report of the Woods and Forests, which has been laid before Parliament, of 3d March 1856. That Report of the Woods and Forests was not sent to us until

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the 7th; it came to us by a Treasury letter of the 5th; the Report itself was laid upon the Table of the House and ordered to be printed on the 4th; and in answer to that Report, for we thought it necessary to answer it, we state at the end of the Report: "As, however, it now appears that the Commissioners of Her Majesty's Woods and Forests *entirely concur with us as to the expediency of a regular transmission of monthly accounts*, and have, as they state, already shown evidence of the exertions they are making with that view, we trust that no further difficulty will arise; and care will be taken in our office that no delay occurs in transmitting future queries." That is dated the 15th of March last.

4374. With regard to the appropriation audit, what do you consider the appropriation audit to be; is the duty of the auditors that of audit or is it the duty merely of seeing that the sums are posted under the proper heads of the Votes?—It is to see that the sums are posted under the proper heads of the Votes.

4375. So far as the audit goes, they are not auditors?—No, not of those accounts; that is to say, of the Army and Navy accounts; but as to the Woods, Forests, and Works, they are the auditors of those accounts.

4376. As well as the reporters upon them?—Yes.

4377. With regard to the War accounts, the audit of the greater part of the War accounts is transferred now from the auditors to the War department itself, is it not?—Yes.

4378. Will you state what are those that have been transferred?—The Commissariat accounts have been transferred; I mean by that the expenditure on account of the Commissariat vote; that has been transferred to the War department ever since the War department took that vote. Formerly that vote was taken by the Treasury; it is now taken by the War department; and that latter department now undertakes the detailed examination of that expenditure.

4379. Is there any other part of the army expenditure which, previously to the consolidation of the departments, was audited by the auditors, and which is now audited by the War department?—There are also the effectives and non-effectives of the army.

4380. The non-effectives were audited completely at the Audit Board?—Yes, they were; we saw all the final vouchers; the Paymaster made the payments on account of the non-effectives of the army; and the audit of them in his account was a complete and final audit.

4381. That is now tranferred to the War-office, is it not?—Yes, it is. Orders have been given to that effect; but it is not finally decided what is the document upon which we can pass that expenditure in the Pasmaster-general's account. We entertain doubts how far it will be in our power to pass in the Paymaster-general's account the payments which he makes on account of that expenditure upon certain certificates proposed by the Secretary of State for War, and whether we should not require the actual vouchers.

4382. As to the effectives of the army, what change has taken place with regard to them?—Formerly the Paymaster-general received from the War department an order to make a payment on account to the colonel of a regiment or an army agent, and so on. That payment so made to the colonel of the regiment, or to the army agent, was to enable him to make detailed payments out of that sum he had so received, and the Paymaster-general sent to our office the receipt of the colonel, or of the agent to whom he had made that payment. Therefore, so far as the Paymaster-general's account was concerned he was fully entitled to credit for all those sums which he had so paid, and those vouchers were proper vouchers, upon which we could pass the amounts in the examination and audit of his accounts; but the payments so made were in the nature of imprests, and the detailed examination of those imprests was always conducted by the War department, they being the only persons who were supposed competent to examine accounts of that description. In future, it is proposed we should not have those orders given by the War department to the Paymaster-general, or the vouchers showing that those orders have been complied with; but that we should receive instead a certificate from the Secretary of State for War, stating that payments to such an amount have been made on account of the effectives of the Army, the result of which will undoubtedly be to make the Secretary of State for War the auditor of that portion of the account of the Paymaster-general, because the proper vouchers will not be sent to us. How far it may be in our power to admit those vouchers is a question.

4383. With

4383. With regard to the Ordnance, can you state to the Committee what change has taken place as to that expenditure?—The same as with respect to the Army.

4384. Did you audit the non-effectives of the Ordnance?—Yes; we did.

4385. With regard to the transfer of the audit to the War department, will you state to the Committee whether you consider that the audit of the department is effective, so far as regards the Treasury directions. Do you consider that the regulations sanctioned by the Treasury can be carried into effect now as they were before, with respect to the Commissariat vote?—The whole of the expenditure under the Commissariat vote was conducted under the Commissariat regulations which were drawn up by the Audit-office and the Treasury, and issued under the authority of the Treasury. The Secretary of State for War, I apprehend, may, if he thinks fit, adopt those regulations and carry them into effect himself, but I imagine that they would have to be issued on his own authority. As he takes the vote for the Commissariat service, he would have to deal with that vote in the same way as he deals with any other vote that he takes, and the detailed audit of that account would be accordingly left with him.

4386. With regard to the non-effectives, I apprehend that no change in the regulations for half-pay can be made, except with the concurrence and sanction of the Treasury?—The whole of the non-effectives, I think, depend upon Royal warrants. We have lists of the names and amounts payable to the persons entitled, and we always were in the habit of checking the payments with those Royal warrants, countersigned by the Treasury.

4387. No Royal warrants could issue as to expenditure from the Royal office in olden times without the sanction of the Treasury; is that so now?—I thinkthat those Royal warrants are now countersigned by the Secretary of State for War.

4388. In your paper which has been published, the Commissariat Paper, I see that you state, secondly, "I do not well see by what means the audit can maintain a check over the observance of established regulations;" what is the alteration that you think would be occasioned by that change?—Although I have no reason to doubt the opinions generally there expressed, I ought to state that that paper was published without my knowledge at the time, and there are some observations in it which I might wish to correct.

4389. You state, "With respect to the passage marked A., I do not well see by what means the Audit-office can maintain a check over the observance of established regulations, except by an examination of the vouchers in detail. To do this in the case of rules emanating from the Secretary of State for War seems idle. He can do it better himself by officers of his own. In all cases, however, in which the rules emanate from or are sanctioned by the Treasury, I see the importance of a body independent of the War department ascertaining for the Treasury that their rules have been duly observed"?—It seems to me that all expenditure of that kind is conducted either under rules which emanate from the head of the office itself, or under rules which emanate from the Treasury or under Orders in Council or Acts of Parliament. It seems to me unnecessary that there should be any independent audit with respect to that portion of the expenditure which depends entirely upon rules which emanate from the head of the department; he can do that much better himself by his own officers; since the rules which he himself has established he can at any time abrogate, and it would be useless to point out to the Secretary of State for War, for instance, that he had set aside rules which he had the power to set aside. With respect, however, to all that portion of the expenditure which depends upon Orders in Council, Treasury warrants, or Acts of Parliament, there it seems to me that the Secretaries of State or high functionaries are in the place of trustees, and that it would be very desirable that there should be an independent audit with respect to that portion of the expenditure; how far that can be practically carried into effect I am not quite prepared to state, but it seems to me that it would not be a matter of very great difficulty that, in all cases in which any Order in Council, or any Treasury warrant, or Act of Parliament had been deviated from, the observation that they had been so infringed should be laid before an officer from an independent Board. I think that it would be desirable that some such principle as that should be adopted.

4390. Is it done now with regard to the navy; does the officer who checks

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the appropriation audit enter into a consideration whether the orders and regulations of the Treasury have been strictly obeyed?—Certainly not.

4391. Do you think he could do it without interfering with the authority of the department?—I apprehend that if any order for payment is sent down to the proper officers of those departments, the Accountant-general's, for instance, and that it appeared to him that the order given was one which was contrary to any superior authority, it would be his duty to point that out to the head of his own department. But he might, notwithstanding, be directed by the heads of his department to make the payment, they taking upon themselves the responsibility of the infringement of the rule. Nevertheless the body from whom that rule emanated, whether it be the Treasury, the Council, or Parliament, ought not to be kept in ignorance of its own rule having been infringed; and to prevent this, I think it desirable that when the subordinate officer points out to the head of his department the objection to which the order is liable, it should also be part of his duty to send a copy of such objection to the officer of an independent Audit Board, or that the books in which such objections may have been recorded should be open to the inspection of the officer of the Audit Board; and if it were then their duty simply to make known the fact to those whom it concerned, I think there would be no interference with the authority of the department. It is idle to lay down rules without providing for their enforcement, and there can be no real responsibility without publicity; and the question involved would be one affecting rather the legality than the propriety of the order.

4392. I apprehend that the mode in which it would be done would be this, that the department would not grossly violate the order, but consider it in a lax way, and slightly relax the order from time to time, till ultimately it became quite a different order from what had been originally sanctioned by the Treasury; do you think, unless there is a final audit, it could be possible to check by an appropriation audit?—No, certainly not.

4393. It would entirely depend upon the good faith of the department itself?—Entirely; we take the audit of the accounts in those departments upon their authority alone.

4394. It has been proposed to alter the mode of voting the money for the Miscellaneous Estimates and those estimates which are now voted loosely, and introducing a system first of accounts as they are in the navy, and voting for the payments within the year, and closing them at the end of the year, and then not altering the audit, but having a similar report to that which you have or ought to have from the Woods and Forests annually, an appropriation report; do you see that there would be any objection to that, not only as to miscellaneous votes, but the Civil Service expenditure?—I think it would be a very great advantage and a very great improvement. I certainly do not see why a different rule should be laid down as to the army and navy and the great services from that which is adopted as to the Miscellaneous Estimates.

4395. You see no difficulty in it?—None.

4396. It has been suggested that it should be done by one of your officers being at the Treasury and checking the expenditure; have you so far considered the mode of doing it as to be able to give an opinion upon that point?—I think that that would not be a desirable mode of doing it.

4397. Why?—Because I think if a subordinate officer from a subordinate office were placed at the Treasury for such a purpose, it would be a system that could hardly command confidence, and would not be entitled to it.

4398. In point of fact, is there not considerable difficulty in an independent Board like yours checking the great public departments?—Very great difficulty. We have had little difficulty in performing the duty we have been called upon to perform by Parliament with respect to the Army and Navy, but if other great duties, such as that of checking the Treasury, were imposed upon us, the difficulty would be very considerable. In the case of the Army and Navy accounts there is an appeal to the superior authority of the Treasury; and the Treasury themselves are invested by the provisions of the 9th & 10th Vict. with full powers of deciding on any disputed points; and also of themselves laying before Parliament the account examined by us. The Audit-office inspector of those accounts has also been appointed by them. The check, therefore, is one over which the Treasury have full control; and in the success of which they are greatly

greatly interested. But the case would be very different if the check were to be exercised, not by, or on behalf of, the Treasury, but over them.

4399. If you are the only check to all the public offices, can you point out any way by which you think we could strengthen your hands to enable you to give a firmer resistance to the pressure from without?—I think, if you made us thoroughly independent, and officers to report directly to Parliament, that, in itself, would produce a great effect. If, however, the auditors are to be in any degree an efficient check upon the Treasury, it is essential that the accounts to be checked should be sent to their office, and that the examination should be carried on under their own roof. There is always a risk in checking the accounts of any department by officers placed in that department, that these officers will become part and parcel of that department—be more influenced by the views and feelings of that department than by those of the office to which they belong; and that, instead so much of checking, they will often be advising and carrying on the work of the department in which they are placed. This danger is increased very materially when the department in question is the highest in the State, and has the greater amount of the patronage of the country at its disposal. In order, therefore, to prevent this check from either degenerating into an idle form, and becoming a mere delusion, or giving rise to interminable difficulties, I think it essential with respect to the Treasury that the necessary returns and accounts should be periodically sent to the Audit-office, and that the auditors should be invested with a power of local inspection. With a view, also, of ensuring that independence to which I have referred, the Commissioners of Audit ought to have the power of appointing from among their own officers, and changing as often as they think fit, the inspectors of these appropriation audits. They ought also to have the power, if not of appointing, at least that of dismissing any of their other officers, without appeal to the Treasury, or to any political body. The salaries of the subordinate officers of the establishment, which have lately been made subject to the annual votes of Parliament, should be paid out of the Consolidated Fund, as they were formerly, by the fifth section of 25 Geo. 3, c. 52. The efficiency of the check would depend upon the adoption of these principles, and upon the Commissioners of Audit having the power of reporting directly to Parliament whenever they thought it necessary to do so. This is the great safeguard.

4400. I understood that you reported directly to Parliament; the appropriation reports are reports to Parliament, are they not, and do they not go direct to Parliament?—No, not from our Board direct to Parliament. By the 9th and 10th Victoria they go through the Treasury. I have always thought that that alteration in the Act was not one for the better. By Sir James Graham's Act the navy accounts were formerly laid before Parliament direct by the auditors. Now they are sent to Parliament through the Treasury, that is to say, they are laid by the Treasury before Parliament. The Treasury by that Act have also the power of sending back the accounts to be amended if they think fit, or of deciding in what way any irregularity or anything that may be wrong in the accounts is to be presented to Parliament. The mere drawing of an Act in those terms necessarily places the Audit-office in a position more subordinate to the Treasury than they were formerly, when they reported direct to Parliament.

4401. Do you know at all what the object of the alteration in that Act was?—I am not aware what the ground of it was.

4402. Have the Treasury exercised lately more power over, and interfered more with the Admiralty Board than was the habit before?—No, I think not.

4403. Have they not interfered so much?—I think not. With respect to the very great power which is given to them, of ordering the accounts in question to be returned for amendment, it may be said that it has never been exercised. The Treasury have asked our opinion on one occasion whether the account should not be returned. They have not ordered the account to be returned without asking our opinion upon the subject.

4404. Have they withdrawn the accounts more than they used to do, or the contrary; or do they give you the same information that they used to do; or have they been withdrawing from you the information that they were accustomed to give you, or have they been diminishing your functions?—No, I think not.

4405. With regard to the check upon the departments as to paying, have you the same check that you used to have?—There has no doubt been a considerable change as to the mode of paying salaries of departments. Formerly

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the salaries were paid by issues being made to some officer in each department, and he having received an imprest in order to make those payments, necessarily became the accountant to us for those payments which he had made, and had to produce vouchers for them. The practice now is, that the Paymaster-general pays upon the orders issued by the heads of the departments; and the effect of that is, that in auditing the Paymaster-general's account, he produces the order of the particular department to pay a certain number of persons, whose names are set forth, with the amounts payable to each; and having paid those persons, and produced their receipts, he is, of course, entitled to credit for those payments, but *non constat*, that the orders which are given by the officer of the department, who draws out that list, may be all in accordance with the Treasury directions; and as that officer considers that he has neither received or paid public money, he often demurs to being made a public accountant; but as we are aware that that is the important part of the account, we have persisted in calling upon the officers who gave those orders to render us accounts, or to insert in their accounts the amount of those cheques—for they are nothing else—which they draw upon the Paymaster-general; and we have to look to the Paymaster-general's accounts in order to find the receipts applicable to each of the payments so ordered.

4406. Mr. *Chancellor of the Exchequer.*] To revert to the question, as to the Navy and Army, and Miscellaneous Estimates, the rule with regard to the Army and Navy Estimates is, that the account is closed at the end of each financial year, but the rule as to the Miscellaneous Estimates is, that the account is not closed?—Yes.

4407. You stated that you saw no reason why a similar rule should not be applied to both sets of services. Is there not this difference between the two, that with regard to the army and navy, the vote is taken every year, and therefore there is a power of closing the account without difficulty for each year; but that as to many of the Miscellaneous Estimates, a single vote is taken in one year, and no similar vote is taken in the subsequent year, unless a necessity should arise. Does it not occur to you that in cases of a specific vote of that sort some inconvenience might arise from the application of the same rule to Miscellaneous Services?—It is possible that it might be so; but what I intended to state was, that if Parliament gives particular directions, they ought to see, or to have some independent body to inform them whether those particular directions have been carried into effect. I think that that principle is just as applicable to the miscellaneous votes as it is to votes for the army and navy.

4408. There is no doubt that the principle is a sound one, and ought as far as possible to be applied, and it could be applied without inconvenience to those votes for miscellaneous services which are taken every year; for instance, the votes for the salaries of the departments, which occur annually; but take the case of a vote for a harbour, or a vote for a building, which is taken once for all, and will not recur; would there not be a certain inconvenience in closing the account at the end of a year, and thereby establishing the necessity of coming to Parliament again in the subsequent year or in subsequent years for fragments of the expenditure?—I think there might be some difficulty if the whole expenditure were not confined to payments which come in the course of the year.

4409. Suppose that the sum of 10,000 *l.* is voted this year for building a pier, and assume that of that 10,000 *l.* 6,000 *l.* is in fact only expended; in that case it would be necessary to go to Parliament again for a vote of 4,000 *l.* next year, thereby voting the same sum twice over?—Yes, no doubt.

4410. If the account were closed at the end of the year that would be so?—Yes.

4411. Then supposing that in the second year the whole of that 4,000 *l.* were not expended, it would be necessary to go to Parliament again a third time for a vote of 1,500 *l.* or 2,000 *l.*, thereby voting a proportion of the money three times over; would not that be the effect?—Yes; no doubt you might have a vote taken for such a purpose as that by the House of Commons, and then a portion of it only having been expended at the end of the year Parliament possibly might doubt whether they would go on with it; it would be a reconsideration of the question.

4412. Does it not appear to you that there is a difference between the question of

of votes for the army and navy, or the salaries of the departments, and the votes that are taken once for all?—I believe the same thing takes place as to the Ordnance votes.

4413. Mr. *Williams.*] There is a certain portion of the votes for the army and navy, I believe, which are not expended in the course of the year, and the balance is paid back into the Exchequer, is it not?—Yes.

4414. Do you see any difficulty in the case referred to by the Chancellor of the Exchequer of a vote for any public work, for instance, a harbour; supposing only 6,000 *l.* out of 10,000 *l.* were expended, that the 4,000 *l.* should be paid back to the Treasury, and a new vote taken?—I see no difficulty in it.

4415. It would not be, in point of fact, voting the same sum over again, for all that you want is 10,000 *l.* for a harbour; and for many of those public works an estimate is given of the entire cost, and so much is required as is supposed to be necessary for the expenditure of one year?—Yes.

4416. And they come again next year for another vote?—Yes.

4417. Under these circumstances, do you see any difficulty in following out the same principle as to those votes, as with regard to the army and navy paying the balance into the Exchequer, and taking a new vote?—I do not think that there is any difficulty in it.

4418. Mr. *Hankey.*] Would it not lead to very great practical inconvenience; the work going on; payments being made from week to week, and only a portion of the contemplated work being finished at the close of the financial year, to repay that money into the Exchequer again, and bring the same question forward by estimates during the ensuing year?—It is the same thing which is done as to the army, navy, and ordnance now.

4419. Mr. *Wilson.*] There would be no difficulty if the miscellaneous estimates were voted before the close of the financial year?—No doubt; that is the essential point.

4420. With regard to the army and navy, you could not conduct those great services unless you had the votes before the 31st of March?—Certainly not.

4421. If the miscellaneous votes were to be voted after the 31st of March down to July, works of the kind alluded to would then stand still?—Yes.

4422. Unless some provision were made for a temporary advance?—Yes.

4423. Mr. *Williams.*] The army, navy, and ordnance accounts are audited in the office of those departments, are they not?—Yes.

4424. You stated, did you not, that the clerks are appointed by your department, and that the inspectors are appointed by the Treasury, and the audit is to take place in the department?—The detailed audit of those accounts takes place in those departments by the officers belonging to those departments, and not by officers belonging to the Audit-office at all. The duty which the latter perform in those departments is the comparison between the votes and the expenditure on account of those votes; and that duty is performed by the inspector, who is one inspector over the two departments, with subordinate officers under him, one in each department.

4425. Then, in point of fact, the Audit Department do not audit those accounts of the War Department?—Certainly not.

4426. They are audited by their own clerks?—Yes.

4427. Mr. *Hankey.*] Are these inspectors not appointed by your office?—We have an inspector, not appointed by our office, and three clerks under that inspector who are, and who superintend the comparison between the expenditure and the Votes of Parliament; they are our own officers, but no portion of their duty consists of finally auditing the expenditure of those great departments.

4428. Mr. *Williams.*] Would it not be a much more efficient audit if the accounts of those departments were audited by the officers of the Audit Department?—It might be a more efficient audit.

4429. Do you see any difficulty in getting those accounts audited by officers of your department?—It would occasion delay, I think.

4430. It has been stated to the Committee, that one of the grounds of objection would be the interference with the books; do you think there would be any difficulty in getting the books so arranged as to come within a near calculation of what would be required for any given period, say one, two, or three months, so as to send the books and the vouchers to the Audit-office, there to be examined?—If the accounts and vouchers were sent to the Audit-office to be examined, I think it would occasion very much greater delay than exists at present.

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present. You might have, no doubt, a more perfect check than there is now; but if the check were made as perfect as it is possible for a check to be, I think it could not be attained without expenditure of time and money. According to the French system, it is only three years after the expenditure that they can check their accounts. Now the army, navy, and ordnance accounts are checked in this country at a much earlier period, and are reported to Parliament within 10 months in the case of the navy and 15 months in the case of the army, after the expenditure has been incurred. In France it is only after three years that they are able to do that. The check may, however, be more perfect there.

4431. Do not you think that an efficient audit would compensate for any delay that may take place in order to accomplish it?—I think that as to all that portion of the account which involves expenditure incurred under the authority of the Secretary of State for War, for instance, he can carry on its examination and audit very much better by officers of his own than by other officers; and I do not see any great object in having an independent detailed audit for that portion of the account. But with respect to all that portion of the expenditure which depends upon rules laid down by some authority superior to his own, there I think it is a matter of importance that there should be an independent check.

4432. I understand you to state that the Audit department look into the expenditure of the specific votes for those services; I think for the navy last year there were 16 votes, and for the army 21; do you see that the amount of money expended upon each of those votes corresponds?—Yes; we see that the expenditure has been properly classed, but we do not see the final vouchers in all cases.

4433. Then in point of fact, you are not an effectual check even upon that class of expenditure?—We do not audit the accounts; we are not the auditors of the accounts in detail.

4434. Of either the army, or the navy, or the ordnance?—No, certainly not.

4435. You stated, that an Act was passed by Sir James Graham, which produced a more efficient system of checking the accounts?—Not that it produced a more efficient system of checking the accounts, but that it made the auditors more independent, or apparently more independent; it may be a matter rather of appearance than reality.

4436. Has that Act been repealed?—Another Act relating to the same subject has been passed. The Act passed in 1832, called Sir James Graham's Act, had reference only to the department of the navy. An Act was substituted for that in 1846, which contained not only the navy, but the military departments. But by the former Act, the Navy Act, the auditors themselves laid the accounts, which they checked, before Parliament; and by the subsequent Act, it is the Treasury that is to do it. The words of the Act passed in 1832 are, "And the account when so made up and attested shall be compared with the vouchers by the Commissioners for auditing the Public Accounts, who are hereby required, on or before the 31st day of January following, if Parliament be then sitting, and if not, then within one week after Parliament shall be assembled, to lay before the House of Commons a copy of the said account, certifying thereon as to the correctness of the said account with the vouchers."

4437. That is Sir James Graham's Act?—Yes.

4438. That has been repealed?—Just so. By the Act which is now in force, "after the accounts have been compared with the books and vouchers of the several departments, the Commissioners are required to transmit copies of the accounts so examined and certified to the Commissioners of Her Majesty's Treasury." And in another place the Act says, that the accounts in question "together with the Reports of the Commissioners of Her Majesty's Treasury as aforesaid, shall be laid before the House of Commons by the said Commissioners of Her Majesty's Treasury on the days after mentioned, if Parliament be then sitting, or if not, then in each case within one week after Parliament shall be next assembled."

4439. You have stated, that in some cases the Treasury send back the accounts that you furnish them with to be amended?—I stated, that in one case the Treasury had asked our opinion upon the subject, and that the opinion which we expressed was not favourable to the accounts being sent back, and the accounts were not sent back. Some years ago, I believe there was a case in which they were sent back to correct some clerical error, which was very unimportant, and the accounts were sent back.

4440. In the first case to which you referred, did the Treasury lay the statement

ment before Parliament in the way that you stated it, or in the way that they amended it themselves?—No, the account was not amended at all. This case has, in fact, reference to accounts now under consideration; and the correspondence will no doubt be laid before Parliament in due course. The other was a case which was perfectly immaterial, in which some clerical error had been made, and the form was gone through of sending the account back, and it was sent back by direction of the Treasury at the request of the department.

4441. Mr. *Chancellor of the Exchequer.*] With regard to the delays which are alleged to have taken place in the audit of certain accounts, can you state generally that the state of the audit now is as forward as it has been at any previous time?—I think that it is very much more so.

4442. With regard to the general state of the audit of public accounts, should you say that it is closer and in better condition than it has been in previous times?—Infinitely closer.

4443. Is the office of Public Works the only department in which any serious delay now exists?—There are some other accounts that are apparently very much in arrear, but the Committee ought to understand that, with respect to many of those accounts, which appear a great many years in arrear of audit, they are really not in arrear of efficient examination; but the reason that they have not been formally brought to audit is that it has been thought desirable to wait for certain documents. Very often there are only one or two outstanding questions, which have prevented the account from receiving the formal audit of account.

4444. You would say that generally since you have held your present office, the audit of the public accounts has never been in a more satisfactory state?—I do not think that the accounts have ever been so nearly up as they are at present. There is an arrear, but it is an arrear which I think will be before long overcome.

4445. With regard to the detailed audit of the Naval and Military Departments, is it not the fact that those accounts are the accounts of persons who are wholly unconnected with the departments, and with respect to whom the departments stand in as independent a position as the Board of Audit itself?—As to a portion of that expenditure, it is so no doubt.

4446. Take for example the Army Department: are not the accounts of the paymasters, and the accounts of the colonels of regiments, rendered by accountants wholly unconnected with the central office in which the examination takes place?—I imagine so.

4447. Does not a similar statement apply to the Admiralty?—I conclude that it does.

4448. Has it not been the invariable practice for the detailed investigation of the military and naval accounts to be conducted by the military and naval departments, and not by the Board of Audit?—Yes.

4449. If a change in that practice were now made, and if that detailed examination were transferred to the Board of Audit, would it not be necessary to break up the establishments of the War Department and the Admiralty, and to transfer a large portion of those establishments to the Audit Board?—I conclude that it would be so.

4450. Would not that imply a total change in the manner in which the expenditure for military and naval purposes has been hitherto controlled?—Certainly.

4451. Does it appear to you that, upon the whole, a more scrupulous examination of the accounts would compensate for the disadvantage of that examination being conducted by persons who would necessarily have a less special acquaintance with the subjects of the accounts?—I think there would be no adequate advantage in having an independent audit of that expenditure which is incurred entirely under rules which are framed and may be altered by the head of that department.

4452. Can you form any idea of what proportion of the expenditure comes within that description, and what proportion of the expenditure of the army and navy is incurred under general instructions from the Treasury or by Orders in Council?—I cannot answer that question; but I imagine that the establishments of those great departments are authorised by the Treasury; and it appears to me that the Treasury ought to have some knowledge of whether those establishments have

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have ever been exceeded or not, and that ought to be done by an independent body, and might be done with advantage.

4453. (To Mr. *Macaulay*.) With regard to the existing rules for half-pay, do you not suppose that the officers at the War Department may be thoroughly relied upon for seeing that those rules are observed, or how is the audit of the non-effective service in the army now regulated?—That was done in detail by the Board of Audit; that is to say, till very recently. The Treasury have lately ordered the transfer of the examination of the non-effective services from the Audit Office to the War Department, but hitherto the detailed examination of that expenditure has been with the Audit Board.

4454. Does that apply to all pensions, as well as to all half-pay?—Yes.

4455. (To Mr. *Romilly*.) Would not that include a very large portion of the army expenditure, which is not within the power of alteration, which is lodged in the head of the department?—It is not in the power of alteration by the head of the department, but it depends upon certain Royal warrants, which have been always sent to the Audit-office, and the payments have been checked with those Royal warrants. The army non-effectives included in the Estimates for 1855-6 amount to 1,956,237 *l*. The effectives to 11,764,921 *l*.

4456. Mr. *Wilson*.] As to the functions of the Audit Board, do you not regard them as being Parliamentary functions, and that they are to see rather to the Parliamentary audit than to a separate and distinct examination of the accounts belonging to special expenditure, for which the heads of the departments are responsible?—The Audit-office has never considered that the functions which they had to perform had any connexion with Parliament till the Act of Sir James Graham was passed. Their duty, until that time, was confined to seeing that the persons to whom public money had been impressed accounted for it, and did not put it into their own pockets.

4457. One of the chief functions of the Audit Board now is to see to the Parliamentary appropriation of grants of money under Act of Parliament?—Yes.

4458. Is there not a great distinction between the auditing of accounts and the examination of accounts?—I cannot see the distinction; accounts are examined first, and having done that, the audit is merely a formal signature to the account, to say that it has been duly examined.

4459. Does not the audit consist rather of seeing that payments have been made under proper authority, and that the expenditure has been applied under the proper head; and that the intentions of Parliament have been carried out in respect to the public expenditure?—This is, no doubt, a correct description of what we term, appropriation audit.

4460. Would it be possible for the Audit Board to examine in detail all those accounts of the Army, Navy, and Ordnance, as to which alone the departments can make their rules and regulations, and the authority for which is derived exclusively from the heads of those departments; do you think it is possible for the Audit Board to conduct that examination with the same facility or convenience as the departments themselves?—No; I do not think they could do it with the same facility or convenience as the departments themselves.

4461. A hundred questions might arise in the minute examination of the accounts, as to the correctness of the accounts, say of inferior officers, and which alone the heads of the departments could properly judge of or determine?—If we had to examine or audit those accounts, we should do it by simply seeing whether we had got the proper authorities and vouchers; we should not go into the question whether the authority was a proper one to give; but whether it was signed by the person entitled to issue it.

4462. You could not go into that detail without interfering with the responsibility of the heads of the departments?—If we questioned the propriety of such orders, we should then interfere with the Executive, which I think would be very objectionable.

4463. When the Commissariat audit was removed from your Board, was it not simply the removal of the detailed examination of the accounts, similar to those details which had always been examined in the Naval and Military Departments?—They were the vouchers in respect to the expenditure, on account of a Vote which had been taken formerly by the Treasury, and we, as the Treasury auditors, were directed to examine those vouchers; but the moment that Vote was taken by the War Department, it followed the same rule as every other Vote taken by the War Department.

4464. With regard to the Commissariat expenditure, before the change was made you examined, on behalf of the Treasury, the accounts in detail, the same as the War Department and the Naval Department examined their own accounts in detail. You also conducted the appropriation audit of those accounts the same as you now conduct the appropriation audits of those other departments?—Yes.

4465. The change was this, that when the Commissariat expenditure was transferred to the War Department, it was only put upon the same footing as the whole of the rest of the army expenditure?—No doubt.

4466. With regard to the Commissariat vote now you have the same control, and you audit it in the same way with a concurrent audit in the department, as you do the whole of the rest of the military expenditure and there is no difference?—No; there is no difference.

4467. When you have appealed to the Treasury upon any difference arising between you and the other departments, have you usually found the Treasury disposed to support the authority of the Audit Board, or have they been more disposed to support the departments?—I think they have shown a disposition to support the Audit Board.

4468. You have been asked several questions to-day with regard to a supposed case; suppose the Navy were to direct the Paymaster-general to pay into the Exchequer a sum of 100,000*l.* for old stores, and suppose the Treasury, being aware of that fact, should violently lay their hands on the money in passing through the Paymaster's hands, and direct it to be assigned to some other purpose, would you not discover it immediately by finding that the Naval Department had in their accounts taken credit for that sum, for which no corresponding debit appeared in the Paymaster's accounts?—I suppose it would be discovered by the inspector of naval and military accounts. It should, however, be borne in mind that the system of appropriation audit is distinct altogether from the ordinary system of audit to which the Paymaster-general's account has always been subject; and there has been no connexion between the two.

4469. Have you a statement of the Paymaster's account sent to you once a month?—Yes.

4470. Would the statement of the Paymaster's accounts necessarily show the receipt, transfer, and credit on behalf of the Navy for the 100,000*l.* paid in for old stores?—Yes.

4471. And the Naval Department would take credit for that in their account?—Yes, no doubt.

4472. Therefore unless there was a corresponding debit, and unless it was paid into the Exchequer with a corresponding debit, you would immediately discover it?—Yes, on a comparison between the two accounts being made.

4473. In a very short time?—No doubt.

4474. *Chairman.*] How if the money was paid in to the Crown's Nominee Account. I see a sum of 33,525*l.* on the 31st of March 1856 to the Crown's Nominee Account; supposing that that sum, instead of being Admiralty money, had been transferred to any other account which the Treasury pleased, how would that have been discovered?—I do not suppose that we should have any check upon that.

4475. I believe the solicitor of the Treasury pays it in?—I suppose so.

4476. It would not be so rapidly discovered?—No.

4477. Mr. *Wilson.*] You would have no information of that account, should you?—I think not.

4478. Would you not find a receipt in the Paymaster's account of a sum of money which he had received under that head in the monthly account he rendered?—No doubt, if it is there.

4479. If you did not find a corresponding debit, would there not be that sum to be accounted for, if it did not appear?—He would merely bring that sum to account, but we should not see the corresponding account.

4480. If he did not pay it into the Exchequer, it would be so much more added to his balance?—Yes.

4481. Therefore the Paymaster-general must be accountable for it?—No doubt.

4482. If there was not a corresponding debit, there would be an increased balance?—Yes.

4483. *Chairman.*] But if there was an order from the Treasury to pay it into the Civil Contingencies, would you take that as satisfactory?—We do not examine

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the Paymaster-general's accounts as to particular heads of service; we examine it as we do any ordinary account, to see that he properly takes credit for the sums he is entitled to take credit for, and that the balance remaining at the end of his account is the correct balance.

4484. Then you only see that there is 33,000 *l.* in hand; you do not see whether that is paid over to the Exchequer or not?—No; it is no part of our duty to see that it is paid into the Exchequer, unless it be so directed. If that sum were paid to the Paymaster-general with directions from the Treasury to pay it over to the Exchequer, we should ascertain that he had duly charged him with it, and that he had paid it over to the Exchequer.

4485. Mr. *Wilson.*] If anything is paid on behalf of any department whose accounts you audit, then you must discover it?—If the authority of that department were given that that money should be paid into the Exchequer, it would come into the Paymaster-general's account, and we should see that it was paid into the Exchequer.

4486. Therefore, in the monthly account you would discover it, if it was not paid into the Exchequer?—Yes; directly we see there is an authority to pay the money into the Exchequer, we should see that it was paid into the Exchequer.

4487. *Chairman.*] In the Admiralty, or in those great departments, they do not pay money, but they direct certain monies to be paid in; but where the actual money is paid in, you do not know by accident whether the order is to pay the money into the Exchequer?—I imagine that the order is to pay the money into the Exchequer, and that the Admiralty would have from the Paymaster-general a list of the payments that he had made on account of the Admiralty, and in that list would be inserted those sums which had been directed to be paid into the Exchequer; and then, on examination of the Paymaster-general's account, we should see the orders given by the Admiralty, and the receipts of the Exchequer showing that those orders had been duly carried into effect.

4488. In the case of the Admiralty and those departments, there is a specific order to pay from the monies issued from the Exchequer to the Paymaster-general for the naval services, and to repay into the Exchequer certain sums; but supposing, from the county courts fund or any other, the money was paid in, how would you know in that case?—In all cases where an accountant renders an account to us, and pays money into the Exchequer, we check that in the examination of the account; we check all our accounts with the Exchequer statements which are sent to us, and we should see at once whether money taken credit for as having been paid into the Exchequer had been paid into the Exchequer.

4489. Where you got the original account?—Yes.

4490. Mr. *Wilson.*] In the case put to you as to old stores in the Admiralty, the payment for which ought to go into the Exchequer, there would be no means of diverting it without your knowledge?—No.

4491. And to every other accountant the same observation would apply, would it not, that he could not pay money into the Paymaster's hands to pay to the Exchequer without taking credit for it in his account, and you would discover it?—Yes; just so.

4492. *Chairman.*] Take the case of a specific order, illegal if you like, given by the Treasury, with respect to any one sum of those monies, how would Parliament know it?—I imagine that it would only come before Parliament in those accounts as to which we report to Parliament.

4493. Do you report to Parliament the money paid for old stores?—Yes.

4494. That report states that it is paid in, does it?—Yes.

4495. You do not look at the time when it is paid in at all?—No.

4496. Mr. *Wilson.*] You have been asked how Parliament would become cognisant of that; would there not be a deficiency in the accounts of the department to whose credit it ought to be carried?—With respect to those reports which are reported to Parliament, undoubtedly.

4497. Therefore, unless it was paid into the Exchequer, the Admiralty accounts would be by that sum short?—Yes.

4498. You have been asked with regard to a change in the mode of paying salaries?—Yes.

4499. That arose entirely in consequence of the consolidation of the paymasters, did it not?—I am not aware whether it was in consequence of the consolidation of the paymasters, but it gave a facility for making payments in that way.

way.—(Mr. *Macaulay.*) I think it might be attributed more to the practice of paying so generally through the Paymaster's office instead of making imprests to the accountants of the several departments for the expenses of such departments.

4500. Sir *Henry Willoughby.*] Have you any Audit-office book, called a Query-book?—There is a Query-book or rather a journal, which is kept by each of the examiners of the accounts, and in that journal he notes down anything which he observes wrong in the account, and upon that the query is framed and recorded in the office.

4501. Would that book afford any information to the Committee?—It would as to the mode of transacting the business of the office, and especially as to any difficulties that may arise in the examination of the accounts.—(Mr. *Macaulay.*) There is no regular office book kept of queries that could be called a Query-book, but the examiner in charge of the account raises such queries as he thinks he ought to raise upon the account, and those queries are sent to the accountant to be answered. Of course all those queries which are sent by the inspector will form part of the records relating to that account, and are kept with it; but there is no distinct book belonging to the Audit-office embodying all the queries issued from the office to the different accountants.

4502. You have no book that will afford information to the Committee as to any difficulties which may have arisen in the office in carrying on the Audit?—(Mr. *Romilly*). No one book that we could lay before the Committee; the whole of the objections, which are, of course, very numerous, would afford the information.

4503. *Chairman.*] You could give the queries, for instance, on the Public Works' Account?—Yes, as to any particular account we could give all the queries respecting it.

4504. Sir *Henry Willoughby.*] With regard to the detailed account in the Army, Navy, and Ordnance departments, is that made by the clerks of the departments over whom you have any control, or no control?—It is made entirely by clerks over whom we have no control; the detailed examination we have nothing to do with.

4505. Therefore you know nothing about the detailed audit?—No, except that we see that it has been subjected to the proper audit.

4506. Then does it come to this, that that detailed audit is conducted by the department itself?—Yes.

4507. Then, in point of fact, do they not audit their own accounts?—The audit is done in the department itself, no doubt.

4508. Is that audit any check on the expenditure?—It is a check upon the sub-accountants of that department.

4509. Suppose anything goes wrong, who is to detect it?—The head of the check branch of the department; it would be his duty.—(Mr. *Macaulay.*) The Accountant-general of the Navy.

4510. What check is there on the Accountant-general himself?—(Mr. *Romilly*). The heads of the department, I suppose.

4511. It is quite clear that of that audit you are in no way cognisant at all?—We are not responsible for it in any way.

4512. Do you understand the details; are the details in anyway brought before you?—No, not of that detailed audit.

4513. Can you state roughly to what extent the expenditure goes?—It depends upon the votes.—(Mr. *Macaulay*). While it is true that the Audit-office enter, in no sense, into the detailed audit of that expenditure, as I understand it, the inspector, who is charged with the duty of the appropriation audit, examines the vouchers, with the view of seeing that they have been previously examined, that they bear about them the evidence of previous examination, and also, that the orders for payment are drawn in conformity with the Regulations of the Service.

4514. Assuming that the Army, Navy, and Ordnance votes were 35,000,000 *l.*, would the detailed audit by the clerks of those departments extend to that amount?—(Mr. *Romilly.*) Yes, it would extend to the whole of the amount of the votes taken by those several departments.

4515. The detailed audit of the whole of that 35,000,000 *l.* would be by the clerks of the departments?—Yes.

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4516. And the officers of the Audit-office would in no way be concerned in that audit?—No.

4517. Mr. *Wilson.*] Would it not be the case, that a very great portion of those accounts would be examined away from London altogether; for example, take all the outside paymasters, the sub-paymasters all over the world; they must examine their accounts in detail from their immediate subordinates, and send home their accounts to the departments, examined in those details, upon their own responsibility?—They would examine those details in order to avoid objections that might otherwise be raised at home. They would all be subject to the check of the detailed audit in this country.

4518. Therefore, through every branch of those services, before they come to the head of the department, this detailed examination must take place?—The accounts would be prepared with the greater care, because subject to that subsequent check.

4519. It would be impossible, would it not, for the Audit Board to conduct such a detailed examination as this?—I do not see how they could do it with their present strength.

4520. Take an officer in an out-station, at Woolwich, or Plymouth, or Portsmouth; he is accountable to the head of the department for the money placed at his disposal, and he has all the interest that a man can have to see that that money has been properly expended, and that the accounts that he receives are accurate, has he not?—Yes.

4521. He immediately then has to account to the Accountant-general of the Navy?—Yes.

4522. It is equally to the interest of the Accountant-general of the Navy that he shall again examine the accounts sent from those intermediate accountants, and see that they are correct?—Yes.

4523. Therefore, in all those intermediate steps, there is always the interest of the immediate superior of the expending officer to see that those accounts are strictly accurate?—Yes; I imagine so.

4524. Mr. *Chancellor of the Exchequer.*] When, for example the military expenditure in the Crimea is audited by the clerks in the War department, in London, it cannot be said with any truth that the department is auditing its own accounts?—It is an audit by officers of their own.

4525. But those officers are not the persons who either made, or controlled, or managed the actual payments?—No.

4526. Those payments were made by the paymasters in the Crimea?—Yes.

4527. With regard to those persons, do not the clerks in the War department stand in as independent and unconnected a position as the clerks in the Audit-office would stand?—Yes, they have just as great an interest in having the audit well performed.

4528. When it is said that the War department audits its own accounts, is there not a great distinction between their case and the case of a department which actually makes the expenditure according to the specific votes, and audits the account of that expenditure?—Yes.

4529. The same persons making the expenditure and auditing the accounts?—Yes; no doubt.

4530. Was not the origin of the present Audit Board this, that the functions of the auditors of imprests in the office of the Exchequer were abolished somewhere about the year 1780, and a new Board of Commissioners was created, to whom their duties were transferred?—I believe it was.

4531. The present Audit-office arose from the transfer of certain duties of audit which had previously been performed in the office of the Exchequer?—By the auditors of imprest.

4532. Mr. *Williams.*] Take the War department and the Navy department; the expenditure in those departments is made by officers appointed by the heads of those departments, and the account of the expenditure is examined by other officers appointed by the heads of those departments?—Yes; I suppose it is so.

4533. Mr. *Hankey.*] Is there not an annual account delivered to Parliament of the expenditure of the navy and army, signed by the Commissioners of Audit, as having been examined and certified by them to be correct?—Yes; as compared with the books and vouchers of the department. Those words were purposely put into the Audit-office certificate some years ago, that Parliament might

might not be led to suppose that we undertook a detailed examination of those accounts.

4534. To what extent are the Audit-office responsible for the correctness of those accounts which are signed by them?—They are responsible for seeing that those accounts have had a proper examination in those several departments; seeing that those accounts have been duly examined and passed in those departments; and that the sums which are taken credit for under any particular vote are placed to the proper vote; but they do not go through the calculations and computations of the vouchers, nor do they see every sub-voucher for every payment. They have the power of calling for every voucher; but they have not the power of questioning them, except for the purpose of ascertaining that the expenditure is duly classified under the proper votes; and they examine the vouchers for that special purpose, and none other.

4535. Is not the account of the navy, which is delivered in to Parliament, given under the responsibility of the Commissioners of Audit, that they have examined and seen that the same is correct?—Certainly.

4536. Mr. *Williams.*] In point of fact, you see no vouchers at all for the items of expenditure in those great departments?—That depends upon what you mean by the word "voucher;" it is a very general term.

4537. I mean an authority for the expenditure?—We see all the authorities for the expenditure; but cannot question them. The word "voucher" is used by us in the most general sense, but you mean the receipt; that is, the document which proves that the payment has actually been made, and that has a more specific meaning than the word "voucher." We examine all those accounts with vouchers in the different departments; but, as the Paymaster-general makes the payments, the actual receipt in respect of those payments would appear with the Paymaster-general's accounts. The evidence of the payment would appear there.

4538. But the Audit-office do not examine into that. That voucher has been received by him for a payment made by him?—They see that the accounts have been duly marked and passed by the department, and they examine all their books and all necessary documents to see that the payment is carried to the proper head of service.

4539. That is to say, they look at the gross amount?—They would trace all the several payments through the several books till they came to the result, which is laid before Parliament.

4540. But they do not examine the items of expenditure. The detailed expenditure, as I understand you, is examined by officers of the department?—The detailed expenditure is examined by officers of the department.

4541. How is it that you ascertain, from the expenditure of the departments, grounds upon which to certify the correctness of that expenditure?—I am afraid that that is entering very much into the detailed examination of those accounts. The Inspector of the Naval and Military Accounts will be better able to answer those questions than I can; I cannot describe all the different modes by which he traces those items through the various books.

4542. He sends that final result to the Audit-office, does he?—No; every objection which he makes he would lay before the Commissioners.

4543. Who is the person that you now speak of?—The Inspector of Naval and Military Accounts.

4544. Not a person appointed by you?—A person appointed by the Treasury; but he is an officer under our directions, though originally appointed by the Treasury.

4545. Upon his statement do you certify the correctness of the account?—We do.

4546. *Chairman.*] There was laid upon the table of The House this year a report from the Audit Board of all the accounts that were audited, and the state in which they were audited?—Yes.

4547. Would it not be an advantage if, by an Act of Parliament or by regulation, the auditors were annually to lay a similar account upon the table of the House of Commons?—I think it would be a great advantage.

4548. Why?—I think there would be this advantage; I think it right that Parliament should know exactly the state in which the issues they have made stand, and the mode in which those issues have been accounted for. I think that it would also be an advantage to our office. Auditing accounts is a work

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that does not necessarily press. It is not like the work of an executive department; whether you audit an account to-day or to-morrow, or the next day, apparently seems to be of little consequence, and the result is, that there is rather a tendency towards arrears; but if we were obliged every year to make a statement of the condition in which our business was, this would prevent arrears. I think it has always been of great use that the auditors should be compelled to come before the Chancellor of the Exchequer twice every year, to declare to their accounts. As far as the Treasury is concerned, this appears to be an idle form and an unnecessary trouble; but with respect to the Audit-office, it is most useful that twice every year we should see how matters really stand, and that we should whip up our accounts.

4549. It would be a useful check upon the Audit-office, would it not?—Yes.

4550. As to the accountants themselves, would it be any advantage if it appeared on the face of the return that an accountant had not sent in his accounts?—Yes, it would act, no doubt, upon the accountants, both upon them and upon ourselves.

4551. You have stated that you thought, with regard to the great departments and some officers, that publicity would be a more effectual check, and that the power of fining them is merely nominal. Do you think that it would be sufficient to bring an accountant before the public if he had not sent his accounts in, or would you suggest any other means?—I think that the power we still have ought to remain in our hands; but I think the other would be an additional check, and so far an advantage.

4552. I see, in some of these accounts, that you state that "other accounts were more pressing." Is the delay in the Audit-office a delay chiefly from your establishment being insufficient, in consequence of the pressure of the accounts during the war, or is it from the accounts themselves not having been sent in in time?—I think it is partly owing to the establishment not being sufficient, and partly owing to the circumstance that we have had to examine the first year's war accounts, *i. e.* the whole of the Commissariat cash and store accounts also. Those were excessively heavy; and it has been a very great labour. The delay is also owing to other circumstances, which perhaps may be susceptible of improvement in our own office. One thing certainly we have been in the habit of doing from time immemorial, that is, giving our different accountants too much facility to set their accounts right before we audit them. When an account is sent in, the accountant ought to send it in with all the vouchers and authorities complete; if he does not, we ask him for them; he delays sending them; and sometimes, when he does send an answer, perhaps he does not send the proper documents. Then there is another communication, and a third, and a fourth; and that occasions very great delay, not in examining accounts, but in auditing them. I think that might be prevented by ourselves, and it would have been prevented before this if it had not been for accidental circumstances. Whenever an accountant does not send the proper authorities and vouchers with his accounts, we ought to come to a decision at once without waiting for them, and disallow the amount imperfectly vouched, informing him that he will have allowance for the amount in his next year's account, or whenever he sends the proper documents: and that intimation would have been made to accountants long ago, had it not been considered that it would not be right to do so until they had had a complete set of regulations; regulations in accordance with which they should make up their accounts, and in accordance with which those accounts should also be examined by us. Hitherto, the directions issued by the Audit-office to general accountants are only to be found, with some slight exceptions, in the queries addressed to them from time to time, without being all consolidated and put together in a separate form.

4553. You have no general set of regulations, then, for the accountants?—We have regulations for colonial accountants and for some other special services, and we have lately drawn up a set of regulations for accountants generally, but they have not been issued yet, because it was considered not unlikely that alterations might take place with respect to our Acts; and it was very undesirable that, immediately after issuing our regulations, they should have to be altered.

4554. But you have them prepared, have you not?—They are all drawn up; and immediately after issuing those regulations it was the intention of the Board to have informed the accountants, "You have now those regulations, and unless you comply with them we shall immediately on receiving your account disallow

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all claims imperfectly vouched, without giving you any opportunity of setting them right before we audit it."

4555. You state that the delay has arisen from the establishment probably being below the mark in time of war; is it sufficient in time of peace?—It is a very difficult thing to make an accurate estimate as to the amount of business that we have to perform, because, in addition to the accounts which come regularly before us for audit, the Treasury have the power, and are in the habit of not unfrequently sending to us papers to report upon, including long and complicated references from the colonies, and we have a great deal of business of that kind; sometimes also accounts are sent to us which we had no reason to expect, so that it is difficult to make an accurate estimate of the amount of our business. But I think that the establishment is hardly large enough for a time of peace.

4556. Before the war, was there any delay as to the Commissariat accounts which are now transferred to the war department; are they audited now more quickly than they were audited before?—The change has only just taken placed we have audited the whole of those Commissariat accounts up to the latest period for which we are responsible; within a year after the terminating period of those accounts we have examined them and audited them all.

4557. The War-office accounts were audited within 12 months, were they not, before they were sent to you to make a report upon?—Yes.

4558. Was your report as to the Commissariat accounts made at the same time as the War-office Report under the old system, before the transfer?—It was at the same time as the war expenditure.

4559. I wish to know whether, when the Commissariat accounts were with you, the audit then was slower than the audit of the war accounts at the War Department?—I think not. We had examined the whole of the expenditure in respect of the Commissariat Vote at the time when we reported the army accounts to Parliament.

4560. So far as you know, there has been no gain in point of quickness?—There has been no time to ascertain that; the transfer did not take place above two months ago.

4561. I see, with regard to the "Turkish Embassy, Repairs and Furniture, Maintenance of Junior Attachés, Dragomans and Students," that some of the accounts have not been examined since 1845, others not since 1849, and others not since 1848. Can you give me any explanation why those accounts have not been sent in, some of them for above 10 years? (Mr. *Macaulay*.) There has been a great deal of correspondence between the Audit-office, the Treasury, and the Foreign Office, for the purpose of getting those accounts; that correspondence has extended over a very considerable time, and all that we can say is, that we have been unable to get them. We cannot get the vouchers for the accounts; at least they are for the most part wanting. A part of the expenditure relates to the furniture and the repairs that were provided for the ambassador's house at Constantinople, and the vouchers for a part of this expenditure, we were given to understand, would be furnished to us by the Board of Works. We have received some of them from the Board of Works, but not sufficient to enable us to complete the examination of the accounts.

4562. *Chairman.*] (To Mr. *Romilly*.) I see that Mr. Hoffay, in his evidence, was asked this question with regard to what goes by the name of the great mud question: "You have stated that you remember a case in which, though the Treasury had given their opinion, yet the department proceeded against the opinion of the Treasury; will you have the goodness to call to your mind whether the Admiralty Board did not say that it was not a very important question, and that they would obey any regulations that were laid down, if the Treasury would lay them down?—I cannot bear in mind particularly, but the fact is, that the money was not paid into the Treasury; it was carried to the credit of the vote against the opinion of the Treasury, against the opinion of the Admiralty Board." "Did the Treasury give any opinion?—Yes, they concurred entirely in the view of the Audit Board, and I think that they went so far as to direct the Admiralty to pay it into the Exchequer, or in terms amounting to that, and the Admiralty did not pay the money into the Exchequer." He was then asked, "Therefore the Admiralty had their own way?" To which his answer was, "Yes." You probably know what that transaction was. Is it correct that the Admiralty did anything contrary to the opinion that the Treasury have expressed, when they had ascertained that opinion?—No; it appears to me that the auditors

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auditors entertained a particular opinion upon that question of the mud; they thought that the value of the gravel ought to be paid into the Exchequer; the Admiralty were of a different opinion, and they expressed their reasons for it, and stated that they did not concur. The question was referred to the Treasury, and the Treasury concurred with the auditors, and said that they thought the amount ought to *have been* paid into the Exchequer. I am not aware that any direction was given *to pay* the amount into the Exchequer; and as the opinion of the auditors, supported by the Treasury, and that of the Admiralty, were both laid before Parliament, I do not see that more could have been done.

4563. Mr. *Hankey.*] I have before me a copy of the account of receipt and expenditure for the Army and Militia Services for the year ending the 31st of March 1854, pursuant to the 8 & 9 Vict. c. 92, and it is signed by yourself, by Mr. Ross, and by Colonel Maberly, with a certificate, that "This account transmitted to us, in pursuance of the 2d section of the Act 9 & 10 Vict. c. 92, has been examined by officers under our direction, and that subject to observations contained in the following report to the Lords Commissioners of Her Majesty's Treasury, the above is a correct statement of the receipt and expenditure for the Army and Militia Services for the year ending the 31st of March 1854, as compared with the accounts." I understood you lately, in reply to a question of the Honourable Member for Lambeth, to state, that the accounts of the Army were really not audited by your department?—The detailed examination of the accounts is not conducted by our department.

4564. But still what are the Committee to understand by an account certified by you that it is a correct statement of the receipt and expenditure, if you have not examined the vouchers?—We check the mode in which those accounts are posted under those particular heads, and see that the whole of the expenditure is carried to the proper head of service. (Mr. *Macaulay.*) The certificate must be taken, subject to the first words in the certificate, viz., that the account is transmitted to the Audit Board under the 9 & 10 Vict. c. 92. This Act provides for the nature of the examination which the Audit-office shall give to the accounts of the Army, Navy, and Ordnance. It is obvious from this Act that it was no part of the intention of Parliament that the detailed examination of those accounts should be conducted by the Audit-office. All that the certificate in question attests is, that the duty imposed upon the Audit-office by this Act has been performed by the Audit-office.

4565. Then Parliament is not to understand that the Commissioners of Audit are responsible for the correctness of one single item or payment made in this account?—Not for the detailed examination. Suppose a bill for stores were presented to the Navy for 5,000 *l.*; that bill would probably embrace a vast number of items, 100 or 200 different items; and the detailed examination of that bill would render it necessary to enter into each item. If for instance one item was 100 yards of sail cloth at so much a yard, and the amount carried out, the detailed examiner must check that amount by making the requisite computation. That computation will be conducted entirely, as I understand it, in the Admiralty. The appropriation auditor sees when he takes up this bill that it bears about it the evidence of examination, that the proper ticks which indicate examination in detail in the Admiralty, have been attached to each item, and the proper signature. He further sees that the order for payment of that bill is signed by the proper officer, and that the various regulations respecting such orders have been complied with; and then he sees to what head of service the sum total belongs. He sees that it is a bill for stores for 5,000 *l.*, and he then charges the vote for stores with this 5,000 *l.*

4566. Sir *James Graham.*] If you undertook in addition to the appropriation audit, the detailed departmental audit, going over it a second time, how many clerks would you require to have?—It would be very difficult to say; I am clear that we should require a great many more clerks than the Admiralty; and my own impression is that that examination would not be so effective.

4567. Would it not be indispensably necessary, if any doubt arose upon a voucher, to call evidence from the out-ports at home, and from foreign stations abroad?—Most distinctly.

4568. That would apply to the Army: but if that detailed audit extended over the whole of the Army, Ordnance, and Commissariat Services, and the Navy also, can you conceive any staff within bounds that it would not be necessary to establish at the Audit Board?—That is my impression, and I think that there is a

sentence

sentence in which that point is very well put in a paper now before the Committee; that one sentence seems to embrace the whole case. "The Lords of the Admiralty for instance, the Board of Ordnance, or the Secretary at War, so soon as any improper expenditure or irregularity is discovered, can in most cases, stop the improper payment or irregularity immediately; and even when some previous explanations are requisite, they can, the moment such explanations are received, come to a decision thereon, give their orders accordingly, and see those orders executed; the explanations called for being likewise obtained with the least possible delay, as the parties to give them are under their own orders. An independent Audit-office, on the contrary, can scarcely under any circumstances, continue to be constantly so well acquainted with the practical details of the service, and the necessity for any item of expenditure, as to justify them in giving an immediate decision without calling for information, and they have not the immediate means of reference to the different branches of the service in the Executive department."

4569. The audit repeated on the part of the Audit Board would not supersede the necessity of the first, the departmental audit?—I think in no case.

4570. Then if you passed in review the departmental audit, setting aside for the moment the increase of your staff, what would be the probable increase in point of delay of the second audit?—I am sure that it would be very great; I can only say that.

4571. It takes now eight months with a single audit to complete the Navy accounts, does it not?—Yes.

4572. And 12 months as to the Army?—Thirteen.

4573. Supposing you went, on the part of the Audit Board, into a detailed second audit according to strict rules, what additional time would it be necessary to add to the eight and 12 months respectively?—I can scarcely answer that question, except to say, that I am sure it would be very much longer.

4574. Would you say three more years?—(Mr. *Romilly*.) It is always three years in France.

4575. Then, in a distant colony, it might take a period of something like five years?—Perhaps so.

4576. Mr. *Williams*.] Do the Commissioners of Audit examine the items?—Not the detailed items.

4577. You mentioned a bill for 5,000 *l*.?—Our own officer would examine that.

4578. That is the inspector, I presume?—It would be examined either by the inspector or by an officer under him.

4579. By whom is that officer appointed?—The inspector is appointed by the Treasury; the officer under the inspector is placed there by us. Both are officers of our establishment.

4580. He looks over the ledger, and sees that those bills correspond with the entries in the ledger?—He does so; and he examines the bills themselves.

MEMORANDA added at the request of Mr. *Romilly*.

AS some misconception seems to exist as to the actual course of proceeding in checking the Army and Navy Accounts which are laid before Parliament, it is desirable that a short statement should be drawn up, showing distinctly what the duties are which the auditors are called upon to perform, and the way in which they are performed.

The auditors are required to certify to Parliament annually, on an account submitted to them by the departments in question, and drawn up under the heads of the several grants inserted in the Appropriation Act, the amount expended under each of those heads. In performing this duty, however, they are not to call in question the orders of those departments in carrying on that expenditure, nor to interfere with the examination or audit in detail of that expenditure. Every voucher in those departments is accessible to the auditors; but, provided those vouchers bear evidence of the expenditure having been duly authorised and passed by the proper authorities, no objection could be raised by the Commissioners to any item of that expenditure, except for the purpose of questioning the head of service to which such item has been placed, as expressed in the Appropriation Act. The vouchers therefore are examined with that view only.

only. Accordingly, suppose that a contractor's bill containing different items, which in the opinion of the inspector of the accounts ought to be posted to two separate heads, were posted to one only, he would object to the classification adopted, and if the objection were concurred in by the Audit Board, and were not acceded to by the department, it would appear on the account submitted to the Treasury, and afterwards to Parliament. But if he saw that a payment had been ordered contrary to the express provisions of a Royal Warrant, to an Order in Council, a Treasury direction, or even the provision of an Act of Parliament; or if he had reason to know that a sum taken credit for as paid had not been paid, or that there had been a double payment, or a wrong computation affecting the total, provided the accounts in which these irregularities had occurred had duly passed the constituted authorities of the Army or Navy departments, he would be exceeding his duty if he remarked upon them. His province is to see that the items which have passed the departmental ordeal are posted to the proper heads.

In most instances he has no access to the *actual* evidence and proof of payment, because that evidence does not even exist in the departments themselves. Except in the case of imprests made to sub-officers at out-stations, who render accounts to the Admiralty or War Department, and with those accounts vouchers in support of the payments they have made, all the payments in the accounts of these departments are made by the Paymaster-general. A bill is given by these departments to the contractor, or other person entitled; that bill is presented by the contractor to the Paymaster-general, who informs the department concerned that he has paid it; but the actual evidence of payment, the receipt given by the person paid, would not be returned to the department, but be retained as a voucher to the Paymaster-general's account.

It is obvious that under these circumstances the examination of the accounts of these departments cannot, *strictly speaking*, enable the Commissioners of Audit to certify either to the amount or to the fact of the payments actually made; and accordingly the Audit-office certificate laid before Parliament is qualified, as to the correctness of the account, with the words " as compared with the books and vouchers " of the department; and with this reservation, prominently introduced into the body of the certificate, the certificate is perfectly correct, and does, or ought to, prevent misconstruction.

As this principle runs through the whole of the accounts, and affects all those payments made by the Paymaster-general on account of these departments, there appears to be no greater necessity for asking for the actual receipts for payments made into the Exchequer, than for the receipts in support of any other payments, and accordingly the Commissioners have hitherto been satisfied with the statement of the Paymaster-general that the payments ordered by the departments to be made had been made; especially as the certificate of the auditors has reference only to the correctness of the account " as compared with the *books and vouchers of the department.*"

Nevertheless there are, no doubt, means in the Audit-office of ascertaining the *fact* of the payments into the Exchequer, by comparing the payments taken credit for by the Paymaster-general on proper vouchers, which he produces with his accounts, with the amount accompanying the Admiralty account, and laid before Parliament, of the sums so paid in. With respect to two years' accounts I have made that comparison myself, and find that the accounts agree, and that Exchequer receipts are produced for the payments to the Exchequer; and I have no doubt that they would be found to agree in every other year's account.

The principle, however, involved in this comparison extends to all other payments made by the Paymaster-general; and if the actual evidence of payment be required in the one case, it ought, it may be said, to be required in all other cases; but if this were done, and if in doing it, it appeared that the evidence of payment was not satisfactory, how could the matter be dealt with? If the vouchers of the department are satisfactory to that department, and the auditors are not to question them; and if the certificate of the auditors is founded upon the " books and vouchers of the department," the less they inquire into other vouchers the better. Their production might raise difficulties, but could not solve them, nor could their production be of use, unless the detailed examination of the accounts were vested in the Audit-office instead of being vested in the departments themselves.

Nevertheless, there is this difference between payments into the Exchequer and

and all other payments made by the Paymaster-general on account of these departments, that the peculiar business of the Audit-office, that of comparing the expenditure with the votes, seems to be more peculiarly affected by the payments being properly made into the Exchequer; and the actual fact of these payments having been made ought, perhaps, to be ascertained by reference to the Paymaster-general's accounts, and will be ascertained in future. Any further extension of this principle would involve an entire change in the mode of examining, and perhaps rendering the Paymaster-general's accounts, and also in the mode of examining the Admiralty accounts.

24 July 1856. *Edwd. Romilly.*

Jovis, 17° die Julii, 1856.

MEMBERS PRESENT.

Sir Francis Baring.	Mr. Wilson.
Mr. James MacGregor.	Mr. Henley.
Mr. G. A. Hamilton.	Sir James Graham.
Mr. Williams.	Sir Henry Willoughby.

THE RIGHT HON. SIR FRANCIS T. BARING, BART., IN THE CHAIR.

John Hollings, Esq., called in; and Examined.

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4581. *Chairman.*] WHAT office do you hold?—I am a clerk of the first class in the War Department.

4582. Have you, from your position, a knowledge of the time when the accounts are sent in from the different foreign stations?—I have.

4583. Mr. *Henley.*] Will you state to the Committee at what period of the year the Army accounts close at the respective stations?—The period at which they close at the respective stations should, properly, be about one month after the date to which they have reference.

4584. What is the date in the year to which the accounts are made up?—The regimental accounts are quarterly, and the paymasters are allowed one month for making up their accounts.

4585. To what period of each year is the year's account made up?—The 31st of March, the last day of the military financial year.

4586. When is the account which is made up to the 31st of March, transmitted to the home authorities?—According to the station we receive those accounts sooner or later. But perhaps I may say, that the last account received will generally be late in the autumn, say in October. Of course circumstances may occur which lead to the accounts being received later; but as a general rule, I should say that we have pretty nearly all our accounts in from the stations abroad in or about October.

4587. Is that in pursuance of custom or in pursuance of any general order, or regulation of your office?—The regulations very strictly require that the accounts should be promptly made up and rendered, and the paymaster being allowed the specific period of a month for that purpose, is supposed to forward his account as soon after the termination of that period as he may have an opportunity of doing so; for the rest, the distance from home in connexion with the facility or otherwise of communication, must be taken into account.

4588. In practice, the result is that the accounts from the several out-stations are returned to the War-office within the month of October following the 31st of March?—As a rule, I should say so; seldom later.

4589. That being the rule, what is the latest period at which they generally come in; take the last two or three years that any account has come in?—The period of the war, I may say, has been rather an exceptional period. Some accounts have been much later during the period of the war, even from the home

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stations, so much so, that some of our heavy accounts have not been received until a very much later period than from the stations abroad. I rather refer to our district recruiting stations and the invalid establishment at Chatham, where the work has been exceedingly heavy, consequent upon the war.

4590. Taking the period before the war, the war, according to you, having created an exceptional state of things, what may have been the latest period, for the two or three years preceding, at which any account has come in from distant or other stations?—I should say that the latest period would be about the time I have mentioned. There might be a very limited number of accounts that came in after, but I think I am right in saying that they will all have come in about the month of October.

4591. The accounts being all in at a time of peace within the month of October, what is the time at which you transmit them to the Audit-office?—The time at which we have transmitted the account of receipt and expenditure for army and militia services to the Audit-office, as required by the Act 9 & 10 Vict. c. 92, s. 2, is the 30th of April, being 13 months after date. Twelve months are allowed for receiving all the accounts, examining, and finally auditing them, and completing the record in the books, and an additional month for making up the trial balance, and the annual account for Parliament; so that the account is to be delivered in at the Audit-office on or before the 30th of April.

4592. Then the case stands thus: that the accounts from the various stations of the army are received at the War-office within seven months from the 31st of March?—Generally, they are.

4593. And the remaining six months, within which the law requires the account to be transmitted to the Audit-office, are occupied at the War-office in the examination of the accounts?—Yes.

4594. In your judgment would it be attended with any great difficulty if those accounts were transmitted to the Audit-office in less than six months after they are received from the various stations?—The experience of many years, during which period the authorities of the War-office have, I know, been anxious, and have done all in their power to secure the examination of the accounts at the earliest period, does not justify me in expressing the opinion that the work could be done within an earlier date; the account could not, I think, be delivered in at an earlier date.

4595. What is there in the nature of the accounts to prevent their being examined in a less period than six months?—May I be permitted to read a few lines from a statement made by Mr. Anderson on that subject, in 1841, when he had under consideration the question of an improvement in the mode of keeping the accounts of the War-office. Mr. Anderson says*, "The only point remaining to be noticed is the period which shall be allowed after the close of the year for bringing in all arrears belonging to the year, so as to establish a fixed date for closing every year's account. The last account of the army votes in the Paymaster-general's books which can be considered as finally closed is that for the year 1829, there being still on the books a balance retained for the year 1830. Sums upon account have been given up for subsequent years as saving on the grants, but a balance has been in each case retained to defray arrears. The time fixed for closing the Navy accounts, by the Act 2 Will. 4, c. 40, is eight months after the close of the year; and making due allowance for the greater details of the imprest accounts of the Army, which require more time for their examination, it does not appear necessary to allow more than twelve months for the final winding up of the preceding year's account; so that there will never be more than two years' accounts open at the same time. This arrangement will very much simplify both the accounts of the War-office and those of the Paymaster-general's Office." I may add, that Mr. Anderson was writing in a time of profound peace and quiet, and he formed his opinion with reference to the then existing state of things, which I need scarcely say was not so onerous as the present. Apart from the question of peace or war, our accounts are heavier and more numerous, and our accountants are greater in number; so that, if, in 1841, that judgment was formed by Mr. Anderson, who was very anxious to fix a minimum period, I leave it to the judgment of the Committee whether a different opinion could be formed now.

* *See* page 33 of Parl. Paper, No. 160, present Session.

4596. Will you confine your attention to a time of peace, and not to an exceptional state of things in war; I ask you for your opinion as to what is the reason that

that accounts received from the various stations at the end of seven months are not capable of being audited in the War-office, and transmitted to the auditors, in less than six months from the time that they are received?—The reason is that, taking the whole of the accounts received in the department, not alone those from foreign stations, but all our accounts in the aggregate, the time does not admit (it has not hitherto admitted) of an earlier examination and completion of the accounts of the preceding year.

4597. Is it the fact that there are not hands enough, or that the hands that you have to perform this branch of the work cannot get through the work that they have to do in the time, on account of the amount of the work?—The department has in all my experience been kept at the minimum strength, and doubtless it has always had difficulty enough in carrying on the business; at the same time it has probably not been the wish of the authorities of the War-office that there should be any more clerks appointed than would be just sufficient to carry on the public business. It has never, I believe, been found, although much effort has been made and pressure directed towards that object, that the completion of the examination could be effected at an earlier period.

4598. Is there anything in the nature of the accounts themselves to make that length of time necessary, or is it solely on account of the number of the accounts with reference to the parties who have to examine them?—Something must be referred to the nature of some of the accounts themselves, which are exceedingly heavy.

4599. We want to know what it is in the nature of the accounts themselves that requires that length of time for examination?—Some of the accounts are very bulky and voluminous, with masses of vouchers, which occupy a very long time in their examination. I can show the Committee one or two accounts if the Committee wish it; I have one account here of the London recruiting district, which was accompanied by about 6,000 vouchers; it is an account that would perhaps take about two months to examine; more than 500 pages of figures and statement are contained in it, and it is only reckoned as one account.

4600. That merely refers to the extent of the account; is there anything special in the nature of those accounts, or any reference back to the parties?—No, not anything special in the nature of the account; it is a question of quantity and bulk. There is nothing so peculiar in the nature of these accounts as to be in itself the cause of delay.

4601. Do those accounts, with the vouchers, go to the Audit-office, or are they submitted to the auditors at all?—They do not go to the Audit-office, but the audit of the account takes place, nevertheless, by an independent officer belonging to the Audit-office; he is under the direction of the Commissioners of Audit, and it is his duty carefully to inspect every account which is entered into the books. Though he himself does not attend to the detailed examination, he does see that there is full evidence of a complete examination by the officers of the department. The Act of Parliament requires that he should have access to all the accounts and vouchers of every description. He can, if he please, call for vouchers, and inspect as many or as few as he may choose, and having given his attention to the account to satisfy himself that it has been examined, and bears all the evidence of examination in the usual form of official checks, and having seen also that it has been duly submitted to the proper authorities for approval, before being sent to the book-keeping branch for record, he then is called upon in the discharge of his duty to see that every sum is carried to its proper account and head of service, with reference not only to the terms of the Appropriation Act, he is further required to trace every receipt and every payment, whether applicable to the personal account, as distinguished from the vote account, or not, so that he takes in, as Mr. Anderson stated in his evidence, the whole range of receipts and payments in all the accounts.

4602. Does the independent officer of the Audit Board of whom you have spoken as examining those accounts, examine the vouchers or not?—He does not as a rule examine the vouchers; he could not.

4603. Those accounts are transmitted, as you have stated, from quarter to quarter?—Yes.

4604. So that, in point of fact, the last quarter is what remains to be examined at the end of six months entirely; others may have been in process of examination, I suppose, during the preceding quarters?—It would be so very often; but I could

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I could not say that it would always be so; it would depend upon the state of the department and the amount of the work.

4605. Is it not the case, that as those accounts are transmitted at the end of the quarter, the examination commences and goes on, in some degree getting rid of the work as it comes in?—That is the point aimed at continually; but circumstances will not always allow of that point being reached.

4606. Is there any reason why, if the staff was sufficient, the accounts could not be audited after three months, so as to make matters clear as you go on?—In order to attain that object, it would be necessary that the staff should be very ample, and it does not altogether depend upon the number. At this time we are at some disadvantage in regard to the examination of our accounts, inasmuch as we have not the same number of experienced examiners as we had a few years ago. The changes which have taken place, the great expansion of the department consequent upon the war, and the necessity of increasing the number of our branches, also the retirements which have necessarily taken place, all these circumstances have combined to reduce the number of our experienced examiners; and although we have had a body of gentlemen employed as quarterly clerks, some of them on the examination, who have acquitted themselves exceedingly well, and, I think I may venture to add, have done their duty to the satisfaction of the authorities; allowance must be made, without disparagement to them, for their comparative inexperience.

4607. All that has reference to any arrears that may now exist in consequence of the exceptional state and the change in the office consequent on the war?—Yes.

4608. But, if I understand you rightly, there is no difficulty in those accounts being audited in a shorter time, provided the strength of the examiners is equal to the amount of work to be done?—I should hesitate to give any decided opinion upon that point. I feel it to be so dependent upon circumstances which may not be foreseen; it may this year be war, and next year there may be some other circumstances which may prevent the carrying out of any such intention as that of having the accounts examined at an earlier period. I know for a fact that the heads of our department have constantly directed their attention to that object for many years, and that they have not succeeded, as a general rule, in procuring the examination of the accounts at a much earlier period.

4609. Can you point out any reason, either in the nature of the accounts themselves or otherwise, excepting the want of the proper strength in the department proportionate to the amount of work done, why those accounts should not be audited in less time than they are now, unless some exceptional circumstances, such as a state of war would produce, might interfere?—No doubt, it would be practicable, with a larger number of examiners, to do more work; but whether that number which is required to accomplish a given object in any one year should necessarily be maintained permanently, I can hardly say. It seems to me, that in order to attain the object for one year by placing a larger number of examiners upon the accounts, that object being gained, there might not be employment for them for a continuance.

4610. Are not those accounts pretty much the same from quarter to quarter?—Yes, they are.

4611. If there was a proper number of examiners to clear off each quarter, as the accounts came in, the employment would be equal and regular throughout the year?—It would seem so, certainly.

4612. If it seems so, can you state any reason why it would not be so?—I can only repeat that great efforts have been made to bring it about every year; that such a number of examiners have, I conclude, been appointed from time to time as were thought to be necessary; but the particular object has not been attained.

4613. Then, in point of fact, the Committee are to understand that the business has got six months behind, instead of three months, and that you have never been able to overtake that arrear; and so it always remains six months behind; is that the state of things?—I can hardly say that. We were in a very good state previously to the war. Of course there is a certain arrear of examination at this time, though it is not perhaps very formidable; but, as I said before, our experienced examiners are not numerous.

4614. You

4614. You are referring now to an exceptional state of things during war. This examination refers to a state of things not exceptional. Take the six or seven years before the war; your account was then made up six months after the end of the year?—Yes.*

4615. After the end of the seven months, when you got the accounts home? —Yes.

4616. And that went on from year to year; and the state of things was this, that the account took always six months to make up, beyond the quarter when it was received, instead of three months?—Just so. But I must add, that some of the accounts of the following year would have been examined at the time that the account for the preceding year was sent in to the Audit-office; and many of the accounts, at a certain period of the year, run on together.

4617. How many examiners are there?—In the examiner's branch at the Horse Guards, to which I am attached, about 140 clerks are at present employed in the several account sub-divisions. Some are occupied on the correspondence, and some on the examination; others partly on the one and partly on the other division of the business; but it will be near the mark to say that about half the total number are engaged upon the correspondence, &c., and the other half upon the examination, including the book-keeping. Several other clerks are employed in the branches at Pall Mall on the business of examination.

4618. *Chairman.*] You have pointed out a large account with regard to the London recruiting district; when does that account come to your office?—This particular account (*producing the same*) came many months after date.

4619. For what time is that account?—It is for the quarter ended the 31st of December 1854, and it was accompanied by about 6,000 vouchers.

4620. When did that document come to the office?—It came into the office in December 1855, just the beginning of the month, about 11 months after date.

4621. What was the regular time when it ought to have come into the office? —Nominally two months; that is the time allowed for this particular class of accounts.

4622. What occasioned that great delay?—The mass of work in the district owing to the large number of recruits raised, and the great consequent pressure of business; of course they were not able to make up their accounts in the usual period. There are over 500 pages of figures and statement in that account.

4623. Are you an examiner of accounts?—No.

4624. What office do you hold?—I am a clerk of the first class in the department.

4625. You have been an examiner, have you not?—No, I have not.

4626. You can speak as to the practice of examination?—Yes, partially.

4627. Supposing an item comes under the regulation, which regulation is one which has been framed at the War-office, and has been sanctioned by the Treasury, would the examiner examine to see whether the payment was consistent with the regulation?—Decidedly; that is an important part of his duty.

4628. Supposing it appeared to him that a payment was inconsistent with the regulation; if he were to receive an order from the Secretary-at-War to pass it, what would be the result then?—In that case he would act according to the direction received.

4629. Whether the payment was in his opinion consistent with the regulation sanctioned by the Treasury or not?—His duty would have been discharged in calling attention to the discrepancy, and submitting the point for instruction.

4630. To your knowledge, is there any mode by which the Treasury would become acquainted with the circumstance, that in that case the Secretary-at-War had sanctioned payments inconsistent with what upon examination would appear to have been the intention of the regulations sanctioned by the Treasury? —The Royal Warrants which are submitted to the Sovereign having reference to the Army, I believe generally place the interpretation of any point in those regulations which may at any time appear doubtful, in the hands of the Minister for

* The answers of the Witness to the Questions 4614, 4615, and 4616, apply, strictly, to the annual account for the Audit-office which is rendered 13 months after the termination of the year to which it has reference.

J. Hollings, Esq.

17 July 1856.

for War. He therefore, in case of doubt, being referred to, is competent to place his interpretation upon them, and to decide.

4631. And his interpretation is final; it does not in any shape come before the Treasury?—I speak of the resolving of the doubt, rather, of course, than implying any positive departure from the regulation.

4632. Supposing the Secretary-at-War, in a case where there was any doubt, and that was brought before him, as to a payment that was inconsistent with the regulation, were to give directions that that payment should be made; that, as I understand you, the examiner would consider sufficient authority to him to pass that payment?—Certainly.

4633. In what shape would that come before the Treasury, or is there any check upon such a proceeding?—The only check that I can see on such a proceeding is the honour of the Minister, who would not be supposed to desire to break through the regulations.

4634. There is nothing, then, but such a check as may exist in the mind of the Minister himself?—I would add, that it is competent to the auditor to point out to his Board any charge in the books, against the vote, which he conceives to be an improper charge; that is, in my mind, an important check upon any such irregularity as that to which reference has been made.

4635. Does the clerk of the appropriation audit exercise that authority?—Undoubtedly; inasmuch as, being required to see that every charge is properly made against the vote, his duty would not be completed if he allowed that which he felt to be an improper charge against the vote to pass unnoticed.

4636. Do you mean to say that if, under the regulation, the Secretary-at-War were to direct a payment to a particular person, and the audit clerk, in his judgment, thought that was not the right person under the warrant, he would report that to his Board?—I wish not to be misunderstood. The auditor is bound to notice any departure from the terms of the Appropriation Act; but if it be a question of whether more or less is charged to a given vote, or head of service, and whether that charge is correct, he may not be in a position to know that there is an overcharge. I will illustrate what I have said by simply referring to such a case as that of the amount of good-conduct pay. There is an investigation entered into to determine whether a soldier is entitled to a particular rate of good-conduct pay; and the officers of the department make this investigation, which results in a particular rate being assigned to that soldier; it may be said that the only proper charge is what the man is strictly entitled to; but if the department fix upon the rate of 5 *d.* instead of 4 *d.*, or 3 *d.* instead of 2 *d.*, it is impossible that the auditor can detect that. It would involve a double examination, an entire second examination, to detect that. He would see that the 4 *d.* or the 5 *d.* was charged to the head of good-conduct pay, and then he would have discharged his duty; but he could not undertake to declare that the rate was correct.

4637. Mr. *Wilson.*] The rule in your department is this, is it not, that you have within the department an officer of the Audit Board whose duty it is to see that every charge that is passed to the account is regular and correct, and if any doubt arises in his mind as to the propriety of any charge that is made, he takes a note of it, and waits until the next visit of the inspector; those cases are then submitted to the inspector, and if the inspector agrees with the officer of the Audit Board that those charges are irregular, it is his duty then to report them to the Audit Board?—My understanding in the early days of the audit (and I believe that has been the understanding up to the present time), with Mr. Hoffay, who was the first auditor appointed, was this, that to save trouble and correspondence it was very desirable to dispose of as many questions within the walls of the building as possible, and it was considered right that in any case in which the auditor did not feel that a particular record was correct, he should call the attention, in the first instance, of the book-keeper to it, and it might be that he would at once see that it was wrong, and it would be set right, and there would be an end of the auditor's duty in that particular case. But if the book-keeper felt that he was not competent to agree with the auditor, he would then submit the question to his superiors; and if the decision were that the entry should be made to correspond with the auditor's conclusion, then again there was an end to the business, and only in those cases in which the department could not agree with the auditor was it supposed that reference would be made

to

to the Commissioners of Audit, inasmuch as there could be no necessity for such reference in the other cases.

4368. In every case in which there was a disagreement between the Department and the inspector of the Audit-office, the matter would be reported to the Audit Board, would it not?—Yes; I wish to add that I believe that no two separate departments could have worked more harmoniously together than the War-office and the Audit Board have, and I believe that the cases of difference have been exceedingly rare; indeed, at this moment I cannot call to mind any. I apprehend that there have not been any, but I should not wish to declare that.

4639. Is it not the case that long practice has so well defined what should be done in every case, that there exists very little range or opportunity for difference of opinion?—Very little; indeed, scarcely any. I may say, that the principal of the auditor's queries arise from accidents in the posting by the clerk who may be posting from the accounts into the abstract books, and the auditor, coming across them in his criticism, points them out, and of course they are corrected.

4640. If there were any attempt whatever to misappropriate any payment, the auditor would necessarily discover it?—Yes, I think I may say positively that he would. As an illustration of the course of proceeding in placing sums on record, I would request the attention of the Committee to this little account, a contingent account of Sir Harry Smith's (*handing in the same*), which, having been examined, is submitted for allowance to the proper authority, as is shown outside the account, and the auditor, after the record, has it in his hands, vouchers and all. In that particular case there are but few; and if he choose to look at every voucher, he is at liberty to do so; he has them before him; and he sees, on inspection of the account, that there is every proper check and evidence of examination, to which I would suggest much importance should be attached, as indicating that the check of the auditor is really valuable; he then sees that it has passed the proper authority; for it is not competent to the book-keeper to place on record any expenditure against the vote that is not authorised to be so placed by one of the constituted authorities of the department, who is allowed by the Minister of War to declare that that expenditure may be charged against the vote.

4641. Has this account reference to the expenditure at the Cape?—No, it has reference to the contingent expenses of Sir Harry Smith as commanding officer in a home district. There are one or two errors in that account; there is a difference in the rate, and a difference in the computation. Now it is not the auditor's duty to discover these errors; if they had not been discovered by the examiner, the auditor would not have discovered them. That is the examiner's duty; and nothing but a second examination could detect such errors as those.

4642. Mr. *Wilson.*] This account has reference to the examination of the auditor of the department?—Yes.

4643. I see that this account bears very minute evidence of examination, by being ticked off in every respect; first, as to the date; next, as to the year; next, as to each particular name of the officers; next, as to the rate and the small allowances for servants; also as to the computation of those sums in the aggregate; and throughout each item, the date, the name, the rate, and the sum?—Yes.

4644. And the result of that is, that at the close of the account, after all those apparent minute examinations, there are discovered errors, in an account of 379 *l.* 14 *s.* 1 *d.*, to the amount of 12 *l.* 3 *s.* 6 *d.* All that, however, has been the work of the officer of the department, the examiner of accounts?—It has.

4645. Is it not the duty of the auditor in the department to see that every account bears upon it evidence of all this minute examination before he adopts it as a document that is allowed to be posted?—It is. Mr. Macaulay correctly stated the duty of the auditor in this respect.

4646. *Chairman.*] How many audit clerks have you in your office?—One; one assistant to the inspector, who pays an occasional visit.

4647. And the auditor would not accept of any account which did not bear such evidence upon its face?—He would not.

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Appendix, No. 21.

Paymaster-general's Balances at the Close of each Day on all his Bank Accounts, in the Three Months ended 30 June 1838; also Balances on the Accounts of the Paymaster-general of the Forces and of the Treasurer of the Navy on each Day of the corresponding Three Months of the Year 1836 - - - - - - - - - - - - - - - p. 829

Appendix, No. 22.

Paper delivered in by Ernest Albert Hoffay, Esq., 23 June 1856:

Letter from M. Marshall, Esq. to Sir C. E. Trevelyan, K. C. B., dated 8 February 1849, p. 830

Appendix, No. 23.

Paper delivered in by W. G. Anderson, Esq., 7 July 1856:

Mr. Brooksbank, Chief Clerk of the Financial Division of the Treasury, to Mr. Litchfield, Senior Clerk - - - - - - - - - - - - - - - - p. 832

Appendix, No. 24.

Copy of a Letter from Monsieur de Marescalchi to Viscount Palmerston, the original Copy of which was returned to the Treasury, in Audit Board's Report of 28th March 1851, No. 225, p. 833

Appendix, No. 25.

Report from Commissioners of Audit, with Documents referred to - - - - - p. 834

Appendix, No. 26.

Report from the Commissioners of Audit, dated 29 January 1807 - - - - - p. 839

Appendix, No. 27.

Papers delivered in by Edward Romilly, Esq., and Charles Macaulay, Esq., 14 July 1856:

Services included in the Estimates for Miscellaneous Civil Services for 1855–56, which are not examined in the Audit Office - - - - - - - - - - - - p. 843

APPENDIX.

Appendix, No. 1.

PAPERS RELATING TO THE EXCHEQUER AND PAY OFFICE.

FIRST REPORT of the COMMISSIONERS of PUBLIC ACCOUNTS, dated 8 October 1831.

REPORT ON THE EXCHEQUER.

Object of the Commission.

1.—His Majesty, having been graciously pleased, by his Royal Warrant of the 8th of July 1831, to appoint us Commissioners, in order "to make such inquiries as we may judge necessary, and to examine into the manner in which the Public Money is received and paid, in the several Departments of Receipt and Payment, and into the System of keeping the Accounts in the same; and to report from time to time our Observations to the Lords Commissioners of his Majesty's Treasury, and to suggest such improvements as may appear to us to be practicable and desirable;" we beg leave to lay before your Lordships the following Report on the Exchequer, to which we have deemed it right to direct our earliest attention, as the department of the State in which the public money is deposited, and whence it is re-issued for the public service.

Proceedings of a previous Commission.

2.—In preparing this Report, we beg to acknowledge the assistance we have derived from the proceedings of the Commissioners appointed by his Majesty's Warrant, bearing date the 21st of June 1830, for inquiry into the management and charges of collecting the Public Revenue. The documents and evidence which this commission collected, and which are to be found in the Appendix to this Report, have greatly aided us in acquiring a complete acquaintance with the business of the Exchequer; and so many obvious and important improvements are suggested by a due consideration of the valuable materials which have been thus gathered together, that we feel ourselves able to proceed with confidence in recommending changes, which, while they bring with them considerable economy, will greatly strengthen the efficiency of this department.

Functions of the Exchequer.

3.—The Exchequer is the great conservator of the revenues of the nation; it does not exercise any authority over the administrative departments of receipt, nor over the departments of payment, any further than to guard against the illegal application of any portion of the public income. The constitutional functions of its officers, who hold their situations for life, are to provide for the safe keeping and proper appropriation of the public money. For this purpose it is charged with the receipt of the revenues, which are vested in its name and deposited in its care, until issued under the authority of Parliament for the services of the State, and it is armed with the power of denying its sanction to any demands upon it, from whatever minister or department they may be made, unless those demands are found in accordance with the determinations of the Legislature. "To examine in detail," says Mr. Ellis, the Clerk of the Pells, "the ancient authorities upon which the constitution of the Exchequer of Receipt and Issue in its regulations and practice rests, would answer no useful purpose; it is sufficient to observe that the Exchequer is at least coeval with the Norman Conquest, and that it has been from its earliest institution looked to as a check upon the Lord High Treasurer, and a protection for the King as well as for the subject, in the custody, payment and issue of the public money. The business of the Exchequer, in its simplest form, is the receipt of the public money, and the issue of the same under orders from the proper authority; the second branch, that of issue, farther involves the most important duty of control; while both require, in a matter of such national and historical importance, the duty of record."*

4.—On directing our attention to the consideration of the regulations by which the safe custody, legal appropriation of the public money, and due record of all receipts and credits, may be attained with the greatest simplicity and efficiency, we commenced by carefully examining the history and operations of the Exchequer.

The ancient forms of the Exchequer open to much improvement.

5.—We have observed that nearly all the forms and practices now in force may be traced to very remote periods; and that notwithstanding the extensive changes and improvements which experience and civilization have so generally introduced into pecuniary transactions, the forms of the Exchequer have undergone little or no amendment or alteration. On considering, therefore, on the one hand, what are or ought to be the legitimate functions of this department,

* *See* Mr. Ellis's Letter to the Chancellor of the Exchequer, dated March 2, 1828. Appendix, p. 48.

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department, and, on the other, the variety and perplexity of forms and checks now in use, and the number of individuals employed under the existing establishment, we have come, without hesitation, to the conclusion, that a much more efficient and economical system than that now employed may be safely and advantageously introduced.

All monies should be paid in full into the Exchequer.

6.—To accomplish, with perfect security and efficiency, these objects of safe custody, legal appropriation and record, it is obviously necessary that all public monies whatever should in the first instance be paid into the Exchequer. But it appears from the Accounts laid before Parliament, that the whole amount of the public income is not so paid, but that amounts derived from divers sources of revenue are received and disbursed without the intervention of this institution, or being in any way submitted to its control. It is also certain that considerable sums arising from taxes and other matters are deducted from the gross receipts, and retained and expended by several departments, which only account to the Exchequer for the net amount, after such deductions. We think this practice should be discontinued, and we recommend that the gross receipts of public money, whether arising from taxes in each part of the United Kingdom;* from the income or sale of Crown property under the administration of the Woods and Forests; from the sale of old naval, ordnance or other stores; from unclaimed dividends; unclaimed prize money; deductions from pensions; loans on Exchequer Bills, or from any other sources, should be placed, without deduction, in the custody of the Exchequer, and be accounted for to Parliament, whose authority should be necessary for the appropriation of the whole.

No public money should be applied without previous Parliamentary sanction.

7.—We feel this principle to be one of paramount importance for the security of the public money, in the two great branches of receipt and expenditure. We think that no portion of the public treasure should be arrested on any plea or pretence whatever, on its way to the Exchequer, and that no portion of it should be issued from the Exchequer without previous Parliamentary sanction. Your Lordships will perceive that a really efficient and complete control can be introduced into the different departments of the public service only by the adoption and establishment of the principle we recommend—a principle which we believe to be the necessary preliminary to all satisfactory financial reform; by which means, not only will the whole of the public treasures be made available for the public service, but the expense of collection will appear as a part of the public expenditure, and be consequently placed immediately under legislative and official control.

This principle has been carried out in France.

8.—We may refer to the satisfactory effects which have been produced by the introduction of such a regulation into the administration of the public finances of France, in justification and support of our opinion on this essential point. If difficulties should occur, or objections be stated, from peculiar circumstances, to the immediate application of this rule in all cases, it appears essential to recognise the important principle on which it is founded, and to urge upon your Lordships the policy of admitting the smallest possible number of exceptions to its application, and of allowing those exceptions to continue for the shortest possible period. We feel confident that a short experience of this improvement will soon remove the impediments which may at first be opposed to its adoption.†

Present regulations as to Exchequer Receipts.

9.—As descriptive of the manner and regulations under which the public monies are received at the Exchequer, we copy the following statement of one of the Deputy Tellers, which will give to your Lordships a correct view of the present system:

10.—"The regulations under which the public monies are received at the Exchequer have been established by immemorial usage, and are more particularly fixed by the statute 8 & 9 Will. 3, c. 28. Some partial modifications have however been introduced by subsequent Acts of Parliament, which direct the payment of certain branches of revenue through the Bank of England, and by the general substitution of Bank notes for specie in all large money transactions.

11.—"By the first section of the abovementioned Act of Will. 3, the Teller is bound to receive and make entry of all sums by weight and tale, when tendered at his office; and, according to the ancient course of the Exchequer, to throw down immediately a bill of the sum written upon parchment, and signed by the Teller, or his Deputy, into the Tally Court, where the person making the payment receives his acquittance."

12.—"The only deviation in practice, from these regulations, consists in the discontinuance of the custom of taking an account of the money by weight and tale. For nearly a century past,

* The duties of the Barons of the Exchequer in Scotland, as far as relates to the management of the property of the Crown and the public in Scotland, as a Board of Treasury, are described in the Appendix (Y.) p. 173. The duties of the Vice-Treasurer of Ireland are described in the Appendix (Z.) p. 181.

† A regulation of this character was introduced in France by an ordinance of the 14th September 1822, and appears to have been eminently beneficial in its operation. It provides that under no circumstances can any branch of administration receive or dispose of any other funds than those which have been voted for its service by legislative authority. That in case of any sale of public property, the proceeds of such sale shall be paid into the Treasury, and shall not be at the disposal of the department to which the property belonged. In order to accomplish this object, it decrees that the presence and sanction of an officer of the Treasury shall be necessary for effecting any such sale; and it prescribes the form under which the sale must be conducted. It declares, as a general principle, that all money received from the public shall go to the Treasury, and be accounted for as a portion of the public revenue. The circulars of the different administrations also direct that the amount of no sale of stores or other public property, in a word, no payments of any description, shall be received by any department, to be disposed of by that or any other department, unless it form part of the credit granted by the Legislature. *See* Mr. Bowring's First Report, p. 8, 9.

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Present regulations as to Exchequer Receipts—*continued.*

past, the Bank of England has sent down to the Exchequer persons duly authorized to examine and receive its own notes. And by order of the statute 46 Geo. 3, ss. 75, 76, 83, and 150, the Bank clerks so attending at the Exchequer are bound to receive cancelled Bank Notes from the Receivers-general of Customs, Excise, Stamps, and the Post-office (all which departments keep their money at the Bank of England), and to give each Receiver-general credit for them with the Teller as for so much cash. The practice, also, has for many years prevailed, of receiving through the medium of the Bank Clerks, not only those branches of the revenue, but all monies whatever paid to the Teller on the public accounts; the general use of paper money having made it necessary to adopt this course, in order to verify the notes presented at the Exchequer, and to enable the Teller, consistently with his own responsibility, to accept them in payment of the revenue."

13.—"The ordinary mode in which payments are now made into the Exchequer is as follows: The person who brings the money deposits, by direction of the Teller, his notes and cash with one of the Bank Clerks, from whom he receives a ticket, addressed to the Deputy Teller, expressing the amount of the sum so received on behalf of the Teller. Having delivered this ticket in the Teller's Office, he then enters in a book kept for the purpose, and called the Receipt or Waste Book, the amount paid in, the date of the payment, the heads of the revenue upon which it is paid, and the name of the party paying it. This entry is then transcribed in Latin upon a piece of parchment, called a Bill. The Bill is signed by the Deputy Tellers, and is transmitted through the pipe into the Tally Court. A slight variation, as to the manner of making the entries, occurs in the case of money paid in, which has been levied by judicial process. In this case the party by whom the payment is made, does not enter the particulars in any book, but the memoranda of the proceedings are left at the office, and are transcribed in the Teller's Bill, and the names of the delinquent persons, together with the sums paid in, are entered in the Teller's Receipt or Waste Book."

14.—"All entries made in the Receipt or Waste Book are noted in various other books, which are preserved in the Teller's Office. These books become his official records of what monies are received by him on behalf of the Crown, and are kept for the purpose of the several audits and examinations of his accounts, which from time to time are made by the Auditor of the Exchequer and the Clerks of the Pells respectively."

"*Deposits.*

Daily settlement with the Bank.

15.—"At the close of each day's business the payments made by the Bank on the Teller's account are balanced against the receipts, and the difference, if in favour of the Teller, is received by him from the Bank Clerks. This balance is by them made up in separate parcels of Bank notes. Each parcel is ticketed with its amount and the date of its deposit. It is then examined by the Teller's Clerk, by an officer from the Auditor, and by an officer from the Pell's Office; and the whole sum, with the exception of the fractional parts under 100 *l.* is deposited in an iron chest, in the Cash Room of the Teller.

16.—"To each of the Teller's chests there are three different locks, the keys of which are kept, one in the Teller's Office, one in the Office of the Auditor (to whom it was transferred, upon the resignation of the late Chamberlain of the Exchequer, pursuant to the statute 23 Geo. 3, c. 82), and one in the Office of the Pells, or the care of the superior officer of each department; and the public money is thus placed in deposit, under their joint custody and responsibility."*

Present system unfit to be continued.

17.—The perusal of this testimony, coming from one of the most experienced officers of the present establishment, bears with it the conviction, that however well such a system may have been adapted to former times, it is wholly unsuited to existing circumstances, and therefore unfit to be continued. As, with few exceptions, according to the Evidence given to the Commission of 1830 by Mr. Honey, all payments nominally made into the Exchequer are received by the Bank, and all monies nominally issued from the Exchequer are also paid by the Bank,† it is only by a "species of fiction"‡ that money appears to be received and paid by the Exchequer.

Fiction by which payment of taxes to the Exchequer is sustained.

18.—The following Evidence of Mr. Beaumont explains the fiction by which the payment of taxes into the Exchequer is sustained, and exhibits in detail the manner in which the business is carried on under the present arrangements:

"*Edward Beaumont,* Esq., was called in; and Examined.

Mr. Beaumont's Evidence.

19.—"WHAT situation do you hold at the Customs?—Assistant to the Receiver-general.

20.—"Will you state generally to the Commissioners in what way the money received at the Office of the Receiver-general is paid into the Bank, and to what extent and in what way that money is afterwards paid into the Exchequer?—We have two accounts at the Bank; the account which is applicable to the Exchequer is the surplus of the receipts in London, and the remittances from the out-ports, which is carried into the Bank every day, and entered into the Bank-book. The Bills of Exchange are carried into the Bank as soon as they are accepted, and as the bills fall due the account is drawn from the Bank, and paid into the Exchequer, with the receipts in London; the payments into the Exchequer are drawn from the Bank by a cancelled Bank note.

21.—"In what way are the payments made from the Bank into the Exchequer?—By a cancelled Bank note; a Clerk attends at the Exchequer to make the proper entries.

"What

* Appendix, p. 66.

† *See* Mr. Andrew Honey's Examination before the Commission of 1830. Appendix, p. 103.

‡ Mr. Ellis's Evidence. Appendix, p. 149.

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Mr. Beaumont's Evidence as to fiction by which the payments to the Exchequer are sustained.

22.—"Are you the person who does that?—I occasionally do it, but it is generally done by the first Clerk or the second Clerk; we are rather pressed for hands, and we are obliged to do it as it is convenient; but it is either performed by the assistant, or by the first or second Clerk.

23.—"What is the process, when you arrive at the Exchequer, of paying that money into the Exchequer?—On making up our accounts twice a week, I transmit to the Exchequer a paper, called the 'Appropriation Paper,' which is the amount applicable to the appropriated heads of duty. The Clerk makes an entry in the Teller's books from a copy of that paper, which is transmitted to the Exchequer; he enters it in the Teller's books, and hands over a cancelled Bank note to the Bank Clerk who is in attendance.

24.—"Has the Clerk of the Customs anything more to do after that?—He has only to pay the fees.

25.—"Is the entry made in the Teller's book any receipt or proof of the money having been paid in the Exchequer?—We consider that as a sufficient discharge.

26.—"Have you any other discharge subsequently?—None, but the counterfoils, which follow in due course; they are now counterfoils instead of tallies.

27.—"And those are the vouchers upon which the Receiver-general's accounts are audited?—Yes.

28.—"Is there no document given to the Clerk after he has handed in the spoiled Bank note?—None, till he receives the counterfoils.

29.—"There is no note from the Teller to the Bank Clerk, stating that such and such sums have been received?—The Bank Clerk, upon receiving the cancelled Bank note, hands over a slip of paper, stating so much to Perceval, and so much to Camden, for we only pay to those two officers; and it is upon those tickets that the Teller's Clerks receive fees.

30.—"Are those tickets only for the purpose of receiving fees?—For nothing more; it may be taken as a proof that they have received so much, but the entries in the books show that.

31.—"What check would there be upon a wrong entry in the books, as between you and the Teller's Clerk?—Whenever an entry is made, the book is always cast by the person making it; and I apprehend that the Teller's Clerks also cast the entries in their books.

32.—"You pay first of all to the Bank of England, every day, whatever money you do not want for the current expenses of the office?—Yes.

33.—"And twice a week you pay into the Exchequer?—Yes; we have two accounts at the Bank; one is rather in the light of a private account, which is an account in the names of the Receiver and Comptroller-generals for the purpose of paying the salaries; upon that account we draw from time to time for the purpose of paying the salaries.

34.—"Then you carry the money into the Exchequer only twice a week?—Only twice a week; on Wednesdays and Saturdays, supposing holidays do not intervene.

35.—"Supposing the end of a quarter should happen to fall on a Friday?—We should pay it on the Friday.

36.—"Then the days are Wednesdays and Saturdays, unless there are peculiar circumstances?—Exactly so.

37.—"Have you ever found any difficulty arising from the present construction of the Exchequer?—We have certainly found no difficulties in conducting our business at the Exchequer under the present system; but certainly it does appear to me that an arrangement might be made at the Bank by which the Receiver-general's clerks, I apprehend, might be saved the trouble of going up to the Exchequer to make those entries, for I consider it merely as a matter of form.

38.—"In short, instead of carrying money to the Exchequer, you would take it to the Bank?—I think the Bank might transfer the money to the Exchequer account, without our going up there to pay in a cancelled Bank note; and I think that might be arranged by the Receiver-general of the Customs transmitting the Appropriation Paper, officially signed, to the Exchequer; and I think the gentlemen of the Exchequer might be authorised to make entries in their own books from that paper.

39.—"Does the Appropriation Paper state precisely the sum that is to be paid?—Yes.

40.—"How long before is that sent?—Upon making up our account on Friday, the paper is sent in on Saturday.

41.—"By whom is the Appropriation Paper signed?—It is not signed at all; it is merely sent up as a document for the counterfoils.

42.—"Under whose responsibility is that sent?—Under mine.

43.—"How do they know that it is correct, unless it is verified by some signature?—Our Comptroller-general checks that; he sees by the counterfoils that the money applicable to the Exchequer has been carried in.

44.—"Do you make any payments to the Exchequer?—None, with the exception of the fees.

45.—"So that your whole business with the Exchequer is confined to the paying in your money at the Exchequer?—Yes.

46.—"And you conceive that that might be done more conveniently by transferring the money simply to the account of the Exchequer, a sufficient document passing to authenticate that transfer of account, without going through the forms of making the entry at the Exchequer?—That is my idea upon the subject; and I should draw a write-off upon the Bank, which would be an authority to the Bank to transfer the money." *

Complex arrangements of the English Exchequer dispensed with in Ireland.

47.—The following description, by the Deputy Vice-Treasurer of Ireland, of the manner in which the revenue of Ireland is received by the Irish Exchequer, in its reformed and reduced state

* Appendix, p. 165.

state of establishment, will show that the complex arrangements which are still in existence at the English Exchequer are wholly dispensed with in Ireland, and as, we believe, with considerable advantage to the public service, by making all payments simply into the Bank.

48.—"The Public Income or Revenues (of Ireland) may be classed under the following heads; viz. Revenues of Ireland paid to the Bank of Ireland.

"Customs.
"Excise.
"Stamps.
"Postage.
"Poundage Fee, Pells Fee, and Treasury Fee.
"Imprest and other monies.

"*Customs and Excise.*

49.—"The net revenues of Customs and Excise are daily lodged in the Bank of Ireland by the respective collectors of Customs and Excise, and placed by the Bank to the credit of the Teller of the Exchequer.

50.—"The Customs and Excise Departments transmit weekly, to the Teller of the Exchequer, and the Vice-Treasurer, certificates of the appropriation of these Revenues so paid into the Bank.

"*Stamps.*

51.—"The Stamp Revenue received in Dublin is lodged daily in the Bank by the Receiver-general, and weekly by the country distributors, and is, in like manner as the Customs and Excise, placed to the credit of the Teller of the Exchequer. A certificate is furnished by the Bank, weekly, to the Receiver-general of Stamps, stating the amount of the lodgments made in the course of the week, as well by him as by the respective distributors; this certificate is transmitted to the Teller of the Exchequer, and to the Vice-Treasurer, by the Receiver-general of Stamps.

"*Postage.*

52.—"There does not appear to be any fixed period for lodging the Post-office revenue to the credit of the Teller's account in the Bank of Ireland; the lodgments seldom exceed two or three in the quarter, and their amount in the year 1830 averaged about £. 27,000 per quarter; at the close of each quarter, the Post-office transmits to the Vice-Treasurer a certificate of the amount lodged within the quarter.

"*Poundage, Pells, and Treasury Fees.*

53.—"These fees are deducted (at the time of payment) by the Teller, from the amount of such warrants as are subject to them; which deductions he charges himself with, and the amount is placed to the credit of the Consolidated Fund, weekly.

"*Imprest and other Monies.*

54.—"These monies are paid into the Bank of Ireland, to the credit of the Teller of the Exchequer; the Bank gives a receipt to the party lodging the money, which he delivers to the Teller, who prepares an Exchequer acquittance, stating on what account the money was lodged, and which is examined and countersigned by the Vice-Treasurer.

55.—"The Bank transmits to the Teller and to the Vice-Treasurer a weekly abstract, in detail, of the lodgments made during the week, and which is compared with the certificates received from the respective departments of Customs, Excise, Stamps and Post-office. On the authority of these documents, the Teller prepares Exchequer receipts for the respective revenues so placed to his credit in the Bank, which receipts are checked by the Vice-Treasurer, and countersigned by him; and on being charged in his books against the Teller, they are returned to the Teller, who transmits them to the respective departments."*

56.—Taking therefore into consideration the many inconveniences of the existing practice under which the Exchequer is nominally, but not really, the receiver of the public money,—and the fact that experience has shown they have been beneficially superseded in Ireland by the intervention of the Bank, for the purpose of effecting all receipts of the same,—we recommend that in future all payments of the public income to the credit of the Exchequer be made wholly and directly into the Bank of England. All Revenues should be paid directly to the Bank of England.

57.—We consider this change as indispensable for the removal of many complications and anomalies, as essentially promoting the great ends of simplicity and security, and as one which will enable the Government to carry on its pecuniary transactions in accordance with those usages which commercial experience on the largest scale has adopted as the wisest and the best.

58.—We propose to remove all difficulties with respect to the legal admissibility of payments made into the Bank of England on the public account (a subject which appears to have been attended with some trouble and perplexity, and to have given rise to various official and Specification Papers should be used.

* Appendix (Z.), p. 181.

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Course to be pursued in paying in Money, and legal Discharge for such Payment.

and technical embarrassments) by providing, that all payments into the Bank be classified under two heads: First, the payments of the Receivers-general and other receivers of taxes who are known and recognized public officers, which payments the Bank should be authorized to receive directly from these officers: and Secondly, all other payments of money due to the public, which latter the Bank of England may be directed to receive on account of the Exchequer, on special authority from the Treasury, given by documents according to prescribed forms. Every receiver of taxes, or other person, making a payment to the Bank for the account of the Exchequer, should be required to draw up a Revenue Specification Paper,* showing the particulars of the sum paid, with reference to the taxes or other sources whence it has been derived. This document should be sent to the Exchequer, on the same day in which the payment is made. At the close of every day the Bank should send to the Exchequer a statement of all sums received for Exchequer account,† and these having been found in accordance with the Specification Papers, each party paying should have a legal right to demand from the Exchequer a receipt, in common language and figures, and according to a prescribed form,‡ which should be admitted by the auditors of public accounts, and by all other persons, as a legal discharge for the payment so made to the Bank.

Various complex Arrangements may be dispensed with.

59.—By having all public monies paid into the Bank of England to the credit of the Exchequer in the way proposed, the operose mode now practised, of vouching payments made into the receipt of the Exchequer by public accountants would be superseded,§ while the indented Check Receipts (expressed in Exchequer Latin, bearing the amount paid in the ancient but now obsolete Exchequer figures), the counterfoil, and the various complex arrangements of check and recordation, might be safely and beneficially dispensed with.‖

Unemployed Balances would become available.

60.—Other useless and complicated operations, and the keeping the Teller's Chests at the Exchequer, would be abolished by the same regulation, and the whole of the public balances which at present remain unemployed would become immediately available to the public service.¶

In

* A model of the proposed formula will be found in the Appendix (A.), p. 29.

† *See* Appendix (B.), p. 30.

‡ *See* Appendix (C.), p. 31.

§ The system now in use for checking the payments made to the Tellers of the Exchequer is thus described by Mr. Ellis: "A clerk from the auditor's office attends in the tally court or receipt room to take a note of the Teller's bills, for the purpose of entering the same in the books of the auditors, and comparing the daily and weekly statements in the Pell Office with those sent from the department; another clerk of the auditor prepares the checked receipts, which are afterwards examined and countersigned by the clerk of the Pell Office." Mr. Ellis adds, "The attention of the Chancellor of the Exchequer is specially called to these facts, as instances of business being similarly executed by the two departments." Report of Mr. Ellis, Appendix, p. 47.

‖ Among the documents laid before the Commission of 1830, is a long letter from the Audit Office, dated 2d April 1828, recommending the substitution of "a plain and perspicuous official document for the antiquated form of acquittance" given as a receipt by the Exchequer; but the plan now proposed will be a great improvement on the suggestion of the Audit Office, inasmuch as it will relieve the Exchequer from receiving any money at its office. The following is the specimen inserted by the Audit Office in their letter, of an acquittance produced by Lord Wallace, with his account as Master of the Mint, as the voucher for a payment made into the Receipt of the Exchequer to the account of the Consolidated Fund.

Exchequer P. Act 23 Geo. 3. C. 82. Sec. 2.

Mag Brit N° 100. 3 die *Feb.* 1827.

Prehon Thom Wallace Praefect et Opific Offic ad numm Cudend sup Compm pecun solut ℔ Aerarium Angliae et al ℔ monet argent eis deliberat ex Offic praedict ℔ usu Consol Fund.

£ 9,634 : 5 : 2

W. Charsley, Cler: in Offic: Auditor:

R.F.G.Cumberland, Cler: in Offic: Cler: Pell:

E. J. Longley, Cler: in Offic: Auditor:

Examd. *with the Counterfoil* 7 *Dec*r 1827.

Appendix, p. 44–46.

¶ Mr. Penwarne says, "By the present method of deducting the amounts of orders, &c. from the different branches of revenue, when they have passed the Auditors and Pells Offices, many sums of money

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61.—In addition to the other inconveniences of the system described by Mr. Beaumont, it is stated by Mr. Penwarne, the Clerk of the Debentures at the Exchequer, that considerable delays often arise before those individuals who pay the proceeds of the taxes into the Court of Exchequer obtain vouchers which prove the payments have been really effected. "Receipts," he says, "are not given to the parties at the time of paying monies into the Tellers' offices, but are generally delivered to them from the Tally Court several days after the payments have been made, and in many cases a much longer period elapses."* These delays would be wholly got rid of by the adoption of the plans we have suggested for your Lordships' consideration.

Delays would be avoided.

Control over the Crown and its Ministers in the application of the Public Money.

62.—Having recommended what appears to us a more intelligible and efficient system for placing the public money under the custody of the Exchequer, we proceed to examine another main object of that institution—the control to be exercised over the Crown and its ministers in the application of that money. The information contained in the documents and evidence already so often referred to, enables us to state with confidence, that a revision of, and alteration in, the provisions and arrangements under which the orders of the Crown and Treasury are now conveyed to the Exchequer, for the purpose of obtaining such appropriation according to the directions of Parliament, are equally indispensable with the improvement which we have suggested in the mode of receiving the public money.† It appears to us essential that one simple and efficient, but, above all, uniform plan should be adopted in this respect on every occasion.

Present practice.

63.—The mode now employed of exercising control over the appropriation of the funds in the Exchequer is to require, previously to the issue of money for a public object, the examination of the order or other authority from the Crown, or the Treasury, or both, by the Auditor of the Exchequer and by the Clerk of the Pells, for the purpose of ascertaining whether such order or authority be in conformity with the sanction of Parliament.

Full Security for legal Appropriation should exist.

64.—It is scarcely necessary to inquire how far such control has hitherto been effectual, though it was clearly intended to be provided for by the constitution of the Exchequer. But we are decidedly of opinion that the most efficient restraint upon the Crown and its ministers should be preserved and maintained in any plan for reforming the existing system. We have recommended, as the first measure for this purpose, the introduction of a regulation requiring the payment of all public monies, without exception, into the Exchequer; and it now becomes our duty to suggest measures for obtaining full security, that no appropriation of the funds so received shall take place, under any circumstances, however urgent, without such sanction as shall be a real guarantee to the public for the legality of the appropriation.

Authorities and Forms require revision.

65.—The various authorities and forms by which money is now issued call for revision and improvement in this branch. The documents now employed are as perplexing, from their variety and dissimilarity, as they are tardy, laborious and expensive in their preparation; and they occasion, according to the concurrent testimony of different officers of the Exchequer, great and unnecessary trouble and embarrassment.

66.—By the evidence given before the Commissioners of Inquiry into the charges and management of the revenue, it appears that, in order to enable the Solicitor of the Treasury, Mr. Maule,

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money remain unavoidably in the Tellers' chests for years, until, under the authority of an Act of Parliament passed a few years ago, they are issued to a person appointed to receive them, and are by him repaid into the Exchequer, when they again become available for the public service." *See* Appendix, p. 40. The official Exchequer term for these unclaimed accounts is "*Out-Cash*." A statement, showing the weekly amount of the out-cash in the different Tellers' chests, for the two weeks preceding the several quarters in the years 1829 and 1830, being the weeks in which that amount, from the frequency of issues, i. e. authorities to pay, is greatest, is given by Mr. Ellis, Appendix, p. 139–140.

* Appendix, p. 40.

† Mr. Ellis says, "I think, in regard to the number of persons employed, and to the forms of issue, there is an unnecessary expenditure of money and loss of time." Appendix, p. 151.

Mr. Penwarne says, "If the orders for issues of monies to the Paymasters of the Forces, the Treasurers of the Navy and Ordnance, and those for occasional payments, could be passed through the different offices of the Exchequer by Treasury Warrants only, instead of two authorities, viz. Sign Manual and Treasury Warrants, or Letters of Privy Seal and Treasury Warrants; and if one kind of instrument, and of a more simple form than those at present in use, viz. orders and debentures, could be adopted, the business would be much simplified, particularly if the necessity could be obviated of sending the orders forward and backward from the Treasury to the Exchequer." Appendix, p. 42. Again, "The variety of instruments authorizing the making out and passing orders and debentures at the Exchequer appears to occasion much unnecessary trouble and delay. It is probable that the number of documents required in some cases for making one payment arose at the time when fees were taken by the officers of the Exchequer for their own use. The annual number of warrants amounts, at present, to above a thousand, some of them containing in one warrant payments to be made to many different persons. For instance, for the pensions paid out of the Civil List by Sign Manual, each warrant contains the names of nearly four hundred pensioners. The number of Patents and Sign Manual Warrants granting salaries, allowances and pensions seldom exceeds fifty or sixty in a year; and the number of Letters of Privy Seal entered at the Exchequer is inconsiderable.

"When a demise of the Crown takes place, the increase of the business connected with the authorities is very great, it being necessary to re-grant many of the pensions, salaries and allowances, for which between eight and nine hundred instruments have to be entered and recorded in the Exchequer, besides a great increase of Treasury Warrants." Appendix, p. 41.

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Maule, to obtain a final order to receive 500 *l.*, the following documents were prepared and signed :

1. A Royal Sign Manual Warrant to the Treasury.
2. A Treasury Warrant to Auditor of Exchequer.
3. A Treasury Issuing Letter; and,
4. A Treasury Order to the Auditor and Teller of the Exchequer.*

67.—All of which are founded on the general Privy Seal to the Exchequer, issued at the commencement of every reign.†

Forms by which Issues are regulated.

68.—Mr. Penwarne gives the following description of the mode in which certain issues are made from the Exchequer :—

69.—" For the issues to the Bank of England for the management and payment of dividends, and to the Paymasters of Exchequer Bills, Treasury Warrants only are required.

70.—" Occasional payments, under the authority of a special Act of Parliament, are made by Treasury Warrants, unless under the authority of the annual Appropriation Act, or out of the Civil List, when they require both Sign Manual and Treasury Warrants.

71.—" Many salaries, pensions and allowances, after the instruments granting them and the document warrants have been entered and recorded in the Exchequer, require no farther authority, but are paid on the production of certificates of the lives of the parties at the Auditor's Office ; others, however, granted during pleasure, require a Treasury Warrant for each payment.

72.—" Ancient salaries to officers of the Treasury and Exchequer, perpetuities, &c. &c. are for the greater part under the authority of general Letters of Patent Dormant, and most of them require quarterly warrants, though a few of them are issued without any warrant whatever."‡

Issues for Army, Navy and Ordnance Services.

73.—The following is the description given by Messrs. Brooksbank & Beltz, in their Report on the Public Accounts, of the manner in which money is issued from the Exchequer for the Army, Ordnance and Navy Services :—

74.—" In describing the course of the issue and payment of the sums of money for the Army, Navy and Ordnance Services, it is necessary to trace them back to the high source from which they proceed, after Parliament has granted the ' Supplies' or Services, and the ' Ways and Means' for defraying them.

75.—" In reference to the Ways and Means, or money, either flowing into the Exchequer upon the grants, or raised by Exchequer Bills, the only authority by which the issue of the funds from the coffers of the Exchequer can be effected, must emanate directly from the Crown. §

76.—" Before this money can be issued from the Exchequer, or applied by any Board or individual under the Crown in payment for the services for which it is granted, the authority of the King must be given for the purpose.

77.—" The delegated power thus conferred by the Crown may be considered, first, as to the issue of the money; and secondly, as to the payment of it when issued.

78.—" We shall describe, therefore, under each of the three heads of the public service which will be the subject of our present report, the several authorities, as well as we have been able to collect them, vested by the Crown in the high public officers to whom the trust of the issue and payment in detail of the Army, Navy and Ordnance expenditure is, under certain restrictions, confided.

79.—" But in this place we shall confine our remarks to those variations which, on a close examination of each service, will be seen to exist (some without much apparent reason, but owing probably to the original constitution of the offices, which it is now difficult to trace), both in the nature of the authorities given for the issue, and for the payment of each of the services.

80.—" In noticing these variations, it will be seen that the credits given by the Crown to the Treasurers of the Navy and the Ordnance are always by Letters of Privy Seal; but that the credits given to the Paymaster-general are by the more simple instrument of a warrant under the King's signature, countersigned by the Treasury, until the last issue, which is also by a Privy Seal."

Army Issues.

81.—Messrs. Brooksbank & Beltz describe the authority under which the issues are made by the Exchequer to the Army Department, in the following words :—

82.—" When a grant has been voted upon the Estimates, a Warrant under the King's Sign Manual is obtained, and countersigned by the Treasury, for authorizing the issue of a portion

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* For copies of the different documents on which monies are issued from the Exchequer, *see* Appendix, p. 112–119.

† For a copy of a general Privy Seal, *see* Appendix (F.), p. 34; of a Privy Seal to a particular department, *see* Appendix (G.), *ibid.*

‡ Appendix, p. 41.

§ Messrs. Brooksbank & Beltz state, that there are grants from the Consolidated Fund, and occasionally for specific objects, for the issue of which full power is vested in the Lords Commissioners of His Majesty's Treasury, independent of the Crown.

portion of such grant from the Exchequer to be placed to the account of the Paymaster-general of the Forces at the Bank of England. Exchequer Report.

83.—" The King's Warrant, in respect to the Army grants, answering, until the last issue, the same purpose as the Letters of Privy Seal for the issue of the Navy and the Ordnance grants.

84.—" The King's Warrant gives the Paymaster-general a credit at the Exchequer for the amount specified in it; but further directions from the Treasury are necessary before he can receive any actual issue upon it: These directions are given by letters to the Auditor of the Receipt of the Exchequer, upon memorials being presented to the Treasury from time to time by the Paymaster-general, stating always the head of service for which the money is required.

85.—" When nearly the whole grant for the year has been issued under the authority of these Sign Manual Warrants, the final issue, called ' The Winder,' as winding up and completing the grant for the year, is made by a Letter of Privy Seal."*

86.—And with respect to issues to the Ordnance Department, they say:—" When Parliament has voted a grant for the Ordnance Service, the Treasury procure (in the same manner as we have described in our Report on the Navy) a Letter of Privy Seal, as the authority of the Crown for the issue of a portion or the whole of the grant; and under this sanction, the issues by Treasury Letters or Orders to the Exchequer are given as sums are wanted, for which the Treasurer, under the direction and authority of the Board of Ordnance, and after a formal memorial from that Board to the Treasury, applies."† Ordnance Issues.

87.—Messrs. Brooksbank & Beltz state in their Report, " that as soon as a Navy grant has been voted, the King's Warrant is obtained by the Treasury for a Letter of Privy Seal to be prepared as an authority to the Exchequer for the issue of a large sum, generally a million or more, in part of the grant. Navy Issues.

88.—" This sum is not issued at once from the Exchequer, but the Privy Seal gives the Treasurer of the Navy credit at the Exchequer for the sum specified in it; and as often as money is required for the Navy, Transport or Victualling Service, the Treasurer of the Navy applies, by the direction of the Navy or Victualling Board, to the Treasury for the sum wanted.

89.—" In consequence of such application to the Treasury, a letter is sent from that office, under the sanction of the before-mentioned Privy Seal, to the Exchequer, to direct the sum applied for to be issued to the account of the Treasurer of the Navy at the Bank of England; and the issues are continued in this manner from time to time by Treasury Letters, till the amount of the credit given by the King's Privy Seal is nearly exhausted, when a new Privy Seal is prepared for a farther sum; and this process continues till the completion of the grant of Parliament for the year."‡

90.—After directing the attention of your Lordships to this detailed account of the various authorities under which the public money is issued by the Exchequer, we have to request your consideration of the plan by which we propose to simplify this operation. Suggestions for simplifying the issue.

91.—As we do not desire or intend to propose to your Lordships any greater innovation on what we find established than is absolutely necessary for carrying into effect the objects of our Commission, we select the course of practice just described as adopted with regard to Exchequer issues for the Navy Service as a guide to our suggestions; and adopting the principles which we thus find to be sanctioned by present usage, we recommend that a general credit be given in the first instance at the Exchequer, by the Crown, to each department or office concerned in the management of the public expenditure, for such amount as Parliament shall have voted to such department or office; and that a special credit be given, subsequently, by Warrants of the Treasury, to make use of this credit.

92.—We propose, as the mode of giving these credits, the following regulations, which we submit for your Lordships' consideration:

1. The document by which the Crown conveys its authority to the Exchequer to give a credit, to be called, what it really will be, an Order on the Exchequer, so as to avoid any ambiguity which might be the result of continuing to use the term Privy Seal.§ Royal Order.

2. This document, or Royal Order, to be drawn up in the same form for every department or office of expenditure.

3. The credit given by it to the Treasury, to be for the whole sum appropriated annually by Parliament to each such department or office. Treasury Warrant.

4. This credit to be made use of by the Treasury from time to time by special warrants to be issued in favour of the department or service for the use of which the money has been appropriated by Parliament.

5. Each Royal Order to have annexed to it a copy of the Estimates on which Parliament has granted the money for which credit is to be given.

6. Each Royal Order to be countersigned by three Lords of the Treasury.

7. An abstract of each Royal Order to be registered in a book to be kept for this purpose at the Treasury.

93.—With

* Messrs. Brooksbank & Beltz' Report, pp. 36, 37.
† Ibid. p. 68. ‡ Ibid. p. 14. § *See* Appendix (D.) p. 32.

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93.—With respect to the Warrants to be issued by the Treasury, directing the Exchequer to give credits, we propose the following regulations:

1. The Warrant to refer to the Royal Order, under the sanction of which the credit is to be given.

Monthly Estimate.

2. Each department, or office of expenditure, to transmit to the Treasury, before a fixed day of each month, an estimate, showing how much money will be required for payments in the ensuing month. The estimate to specify the heads of service for which money is required, and also the items of the estimates voted by Parliament by which the payment of the money is authorized; an application for the credit demanded is to accompany the estimate.

Supplemental Estimates.

94.—If any unforeseen pressure or emergency shall arise after the monthly estimate has been sent into the Treasury by a department, a special estimate to be sent to the Treasury, on which a Warrant may be issued for an additional credit.

3. After each application has been examined in the proper division of the Treasury, the same to be signed by the chief clerk, and submitted by him, for signature, to a Board of Treasury.

Warrant on the Exchequer.

4. The Board, after further examination of the same, and approval of it, to direct a Warrant to be issued to the chief officer of the Exchequer.

5. A separate division to be established at the Treasury, for the issue and record of all Warrants granted upon the Exchequer.

6. After the Warrant is prepared in such division, the same to be signed by the chief clerk, and submitted by him, for signature, to a Board of Treasury.

7. The Warrant to direct the Exchequer to order the Bank of England to open a credit in its books for the sum specified in the Warrant, to be at the disposal of the Paymaster, whose duty it is to make payments for the department or office on whose estimate the sum has been issued.

8. Each Warrant to be drawn in the same form, for every department or office of expenditure.

9. All Warrants to be sent to the Exchequer before a fixed day in each month.

10. An abstract of each Warrant to be registered in the Warrant division at the Treasury, in a book to be kept for that purpose.

Regulations suggested for the Exchequer.

95.—The following are the regulations we recommend to be established at the Exchequer with respect to the Royal Orders and Treasury Warrants:

1. An abstract of each Royal Order to be registered in a book to be kept for that purpose.

2. An abstract also of each Treasury Warrant to be registered.

3. The Exchequer to examine each Warrant, and the estimate annexed to it, with reference to the grants made by Parliament.

4. The Exchequer, having ascertained the legality of the Warrant, to order, before the last day of each month, the Bank of England to open the credit directed by the Warrant.*

Treasury to ascertain monthly the state of each Grant.

96.—If these regulations be established, the Treasury will be able to ascertain from month to month how much of each grant of Parliament is exhausted, and how much remains to be expended. It will know whether each department or office of expenditure disposes of the public money according to legal authority; and the Exchequer will also be able to prevent any appropriation of the public money, except according to the directions of Parliament.

97.—We have, as yet, only taken into consideration those functions of the Exchequer which relate to the receipt and issue of the public money.

The Exchequer is at present a Pay office.

98.—But, in addition to these duties, the Exchequer is itself a paymaster to a considerable amount. It appears by an account contained in the documents of the Commission of 1830, that payments were made in 1829, at the Exchequer, of salaries, pensions and annuities to 3,530 persons.†

There were paid in Salaries and Allowances - - -	£. 588,785. 13. 3¾.
Pensions - - - - - -	283,707. 10. 6.
And it appears by a Return from the Exchequer, that the amount of annuities and tontines paid in the same year at the Exchequer, was‡ - - - - -	24,161. 10. 10.

All payments should be made in one office.

99.—In order to secure the benefits of a complete and uniform system of administration and of accounts, it is essential that payments to individual claimants for civil purposes should be conducted in one office, and on the same plan. It will therefore be expedient to remove from the Exchequer the payment of salaries, pensions and annuities with which it is now charged, directing them in future to be paid at the Treasury, where payments to a large amount, of the same description, are now made. The sum at present granted for Civil Contingencies is issued by the Exchequer on account to an agent. This agent belongs to the Treasury Department, and pays each individual who has a claim under this grant. Up to the year 1826, the Exchequer was charged with making these payments to individuals, as

* *See* Appendix (E.) p. 33.

† Appendix (U.) p. 146. ‡ Appendix (N.) p. 42.

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as it is now charged with the payment of certain salaries, pensions and annuities; but the new practice was introduced as one much more convenient to the parties entitled to receive the money voted for Civil Contingencies, and as affording equal securities for the public interest. The experiment has proved successful; and it is one which, in our opinion, should be extended to the transfer from the Exchequer to the Treasury of all payments of this description to individual creditors of the public; and in this way the functions of the Exchequer will be confined, as we think they ought to be confined, with respect to the application of the public money in its custody, to giving credits only, under the authority of the Crown, in pursuance of the directions of the Treasury.

Payments should be transferred to the Treasury.

100.—At present, all persons who have monies to receive at the Exchequer, and who are unacquainted with its usages, experience great difficulty in obtaining the necessary instruments from the Treasury; and on application at the Exchequer, a delay of three or four days is frequently experienced in passing the instruments through the offices.*

101.—In recommending to your Lordships that the salaries, pensions and annuities which are paid at the Exchequer, should be transferred in future for payment to the Treasury, we do not mean to propose that this business should be placed under the management of an individual in the Treasury Department, as was the case when in 1826 the payments of the Civil Contingencies were so transferred; but we are of opinion a very important principle in managing the expenditure of the public money (which we shall on a future occasion more fully develope) should be applied in this case, viz., that the business of examining a claim to payment, and of making that payment, should be in distinct and separate hands. We propose, therefore, that on the removal of the payment of salaries, &c. from the Exchequer to the Treasury, a chief clerk, with assistants, should be appointed to receive and examine all claims for payment, and to issue an order for each payment on a paymaster to be appointed for making these payments, each such order to be drawn according to a prescribed and uniform model, and when countersigned by the Paymaster, to be made payable at the Bank of England; the funds to be provided at the Bank of England for these purposes by estimates and credits, in the same way as we have already proposed for all offices of expenditure.

Treasury should prepare and issue Exchequer Bills.

102.—To reduce and simplify the business of the Exchequer still further, we recommend that the management of Exchequer bills be also transferred to the Treasury. As in the case of salaries, &c., the business of preparing and of issuing Exchequer bills should be separated from that of paying them. The Paymaster should have credits given to him at the Bank of England by the Exchequer, under Treasury warrants, for their discharge. To prevent the issue of any Exchequer bills beyond the amount authorized by Parliament, it should be provided that every such bill be countersigned at the Exchequer before it can obtain a legal currency.

Exchequer Fees should be abolished.

103.—We recommend, as an additional means of disembarrassing the Exchequer of useless and complicated duties, the immediate abolition of fees. Not only the Exchequer, but every department of the public service would be greatly benefited by their total suppression. Mr. Barton, one of the principal clerks of the Exchequer, very correctly observes, "The impropriety, if not absurdity, of issuing at any time a larger portion of the public money than is requisite for the public service, with the view of its being paid back to the public purse after a given interval (and after being exposed in the meantime to the risks of accidents in the hands of individuals) might strongly be urged in support of this proposition."† Independently of this obvious objection, much time and labour must be wasted in calculating and receiving the amounts.

Imprest Rolls, &c. should be abolished.

104.—The preparation of the half-yearly Imprest Rolls should also be abolished. "It would farther seem," says Mr. Ellis, "that the preparation of half-yearly Imprest Rolls for the King's Remembrancer is unnecessary, as the entire business of the audit of Public Accountants might be left with the Auditors of Public Accounts."‡ And on similar grounds, "the examination and certification of the accounts of Receivers," and other "Accountants," preparatory to passing the same before the Auditors of Public Accounts, should be discontinued at the Exchequer.

Exchequer moneys should form one fund.

105.—We can see no sufficient reason for continuing the practice of making particular taxes and portions of taxes subject to particular charges or payments. A change in this respect will still further relieve the Exchequer from part of the unnecessary complication which at present embarrasses its operations. Whatever grounds may have formerly existed for this usage, they must have long ceased, and all distinctions of this description should cease with them. We feel no hesitation in proposing that the whole proceeds of the taxes, and of the other sources of the public revenue, when in the custody of the Exchequer, should form one fund, liable to the whole charge of the public expenditure. No person can seriously entertain the opinion that the public creditor derives the least additional security from the declaration that part of the revenue is peculiarly applicable to the payment of his dividends; and, on the other hand, of all classes in the community, he is most interested in the introduction of any improvement that can effect simplicity, accuracy and security in the administration and application of the public revenue.

Functions of the new Exchequer.

106.—If, then, the several measures which we have thus recommended to your Lordships for the simplification and improvement of this system be adopted, the functions of the Exchequer, which will remain in all their integrity, will be, 1st, That of the receipt and safe custody

* *See* Evidence of Mr. Vernon, Appendix, p. 159.

† Appendix, p. 132. ‡ Appendix, p. 46.

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custody of the public treasure; 2dly, That of control over the Crown and its Ministers; and 3dly, That of record; for the efficient discharge of all which attributes it has been our primary object to provide complete security.

System of Record and Account.

107.—We now proceed, in the further discharge of our duty, to the consideration of what books it will be necessary to introduce in order to establish an intelligible, plain and correct system of record and account at the Exchequer. We recommend that these books should be under the management of two departments, one of Record, and the other of Accounts. In the department of Record, all the Royal Orders for directing credits to be given for the service of the several public departments should be entered in an abstract form, and in the same way all the monthly and other Treasury Warrants for giving credits at the Bank of England. It should also record all Parliamentary grants and Acts of Parliament connected with the expenditure of the public money. The business of record should have connected with it, the duty of examining the legality of every order which is sent to the Exchequer, and of comparing all the special warrants of the Treasury with the authority given by the Royal Order; and it should have the power of stopping credits if not legal.

Record.

Accounts to be kept by Double Entry.

108.—The Department of Accounts would have to register, in a business-like form, on the double-entry plan, all the facts of receipt and credit as they occur. A cash-book should be kept, in which all the revenue specification papers, or other analogous documents, of payments made into the Bank of England for account of the Exchequer, should be chronologically and daily entered, such specification papers or other documents having been duly compared with the daily statement of receipts sent by the Bank to the Exchequer.

Cash Warrants.

109.—This department will also be required to enter, in regular order, an abstract of cash warrants sent by the Treasury to the Exchequer, showing the date, service and amount, and the particulars of the credits given in conformity thereto.

Periodical Accounts to be sent to the Treasury,

110.—Accounts of the same kind as those which are now sent weekly, quarterly and annually, by the Exchequer to the Treasury, should be made up and sent there, with such improvements as the proposed alterations in the Exchequer system may suggest.* The weekly certificate now employed may perhaps be made hereafter applicable to the purpose of enabling the Treasury to keep its journal and ledger account of the revenue concurrently with the Exchequer.

and to the Audit Office.

111.—Quarterly accounts of all credits given by the Exchequer, in pursuance of Treasury Warrants, should be sent to the Audit Office.

Journal and Ledger.

112.—The books which we have proposed to be kept, will contain the elementary matter out of which the transfers to the journal and ledger are to be made. The journal should contain the entries, extracted from these books, of all receipts of revenue, the amounts of royal annual orders, and the monthly or other credits given to the several paymasters on the Treasury Warrants, arranged in the manner adopted by merchants, preparatory to their entry in the ledger, where the facts should be collected, under a prescribed series of heads, from the journal by the double-entry system, and be posted from day to day according to the mercantile usage. The ledger would constantly show, in their most concentrated form, the balances at the disposal of the Exchequer at the Bank of England, the gross receipts from the different sources of public revenue under their particular heads, the credits ordered to be given by the Treasury, and the balances remaining to be disposed of by the different departments. The ledger should be balanced monthly; and, at the end of the year, it will afford the means of making up an accurate account: 1st. Of all the public revenue of the year, showing from what sources it has been derived; and, 2dly. Of all the money for which credits have been given by the Exchequer at the Bank of England towards the payment of the public expenses of the year, showing to what services it has been applied.

Ledger should be balanced monthly.

Annual Accounts.

Credits for different years to be kept distinct.

113.—With the view of accomplishing a complete settlement of the annual accounts, and of preventing all obscurity or mistake, arising from the mixing of the amount of credits for the service of one year, with the amount of credits for the service of another year, we propose that the Exchequer shall cease to give credits on the 1st of October of each year, for money voted in the year ending with the preceding 31st of December, and that all credits not made use of by a day to be fixed, shall be cancelled, and that the funds not applied shall revert again to the disposal of Parliament.

Credits not applied to be cancelled after nine months.

Reasons for recommending the Commercial system of Book-keeping.

114.—As we have not the slightest hesitation in advising the employment of the commercial system of book-keeping, in its purest and most simple form, in all the public departments, and as we consider its application as forming the necessary groundwork of any really important improvement, we shall refer, somewhat in detail, to the reasons which have induced us to recommend it so decidedly and urgently to the approbation of your Lordships.

Merits of the Double Entry system.

115.—The peculiar excellency of what is denominated the mercantile system of book-keeping by double entry, consists in the facility with which it embraces accounts, however complex, various and extensive; giving to all their differences of detail a unity of result, and concentrating them at last in the most condensed shape, while it enables the examiner to trace them without difficulty to their remotest ramifications. In the initiatory or auxiliary books of account, a correct system will admit of all the modifications suited to the particular service; but as soon as the principal or double-entry books take possession of the facts of an account, however intricate and varied, they become subjected to its general and harmonious law.

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* For a description of these Accounts, *see* Appendix, p. 80.

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law. Its machinery is employed to obtain an ultimate balance sheet, which will present, in a concise, correct and intelligible form, all the centralized facts of receipt on the one side, and of expenditure on the other, under their special heads. Of the efficiency of this system, the trading world, in its infinite variety of commerce and concerns, gives unanimous evidence. Into every well-regulated manufactory, into every extensive mercantile establishment in every part of the civilized world, it has gradually but peremptorily forced its way. The revenues of no Government have been safely administered, the accounts of no Government have been intelligibly kept, the business of no Government has been promptly and satisfactorily despatched until the commercial system has been introduced, with its order and uniformity, into the different departments. Several of the Governments of Europe have adopted this method after repeated and vain attempts to accommodate by other means the dissimilar usages of their various public offices to one general system; and there is no instance of any Government having abandoned the mercantile practice after having once employed it; on the contrary, every Government that has introduced it has borne testimony to its adaptation to national concerns, and its complete efficiency for all fiscal and financial operations and records; it is the system adopted by the East India Company, both at home and in their dependencies abroad, and we need only refer to Mr. Bowring's Report on the Public Accounts of France for irresistible proofs of its value, practicability, comprehensiveness, clearness and efficiency. Indeed it appears from his statement, that a succession of Ministers of Finance have borne unanimous and cordial testimony to the excellent workings of the commercial system of accounts in all the departments of Government; that the objections originally suggested against it, by persons who have not attentively considered its bearings, on the grounds of its not being adapted to public official accounts, have all given way before the evidence of its efficiency and superiority. In the words of Count Chabrol (the late Minister of Finance), "Simplicity and rapidity in the progress of the public accounts have been accompanied with clearness and regularity of result; incompleteness and delay have been succeeded by publicity and promptitude."*

Merits of the Double Entry system of accounts.

Excellent working of the system in France.

Its security.

116.—The system of accounts as adopted in France has afforded perfect security against default and dilapidation; it has brought with it savings of expense to the amount of several millions sterling per annum; it has diminished the labours and anxieties of the public servants, and has again and again been eulogised, after elaborate and detailed examination by statesmen of all parties in both Houses of the French legislature. Opposed to such facts, and to the admitted experience of the whole commercial world, we do not conceive the opinions hostile to this system of accounts have any considerable weight.

Treasury Minute of 14 July 1829, recognizes the plan of Double Entry.

117.—The late Board of Treasury, in their Minute of the 14th July 1829, recognize the plan of double entry, as the principle proper to be adopted, and state the propriety of substituting, for the numerous account books now in use, a regular cash-book, journal and ledger, as the foundation of a system of book-keeping upon the plan of double entry; and again they declare "that a thorough knowledge of book-keeping by double entry is, above all, indispensable to the success of the new measures." †

Particulars should be recorded in auxiliary books; results in the ledger.

118.—This is indeed the great principle of the best commercial accounts. And though in the auxiliary books of merchants, there are many varieties suited to their different concerns, there is no essential difference in the way in which all intelligent merchants keep their double-entry journal and ledger. The ledger invariably represents concentrated and not diffuse accounts; it is, in a word, the amalgamation of similar facts under their different heads; it is the volume of results, and not of particulars; it is, in fact, the tabular centralization of all the various auxiliary books, and the final instrument of the balance sheet. The plan of double entry is but the means of collecting in the ledger the particular facts scattered through the elementary books in which they are recorded. A proper system of accounts will arrange all details in its progress; but while it arranges, it condenses at every step till it brings all its topics under their principal and primary heads in the pages of the ledger; and when a reference is made from it to the journal and auxiliary books, it will readily supply all details with the greatest facility and accuracy.

The system of Double Entry is the foundation of all improvement.

119.—We have said thus much in recommendation of this system, from the strong conviction we entertain that its general adoption in the public departments is the great, prominent, all-important improvement, without which, every other will be necessarily and essentially imperfect. This system, properly understood, leaves nothing to the caprice of the accountant; it subjects all the elements of an account to an undeviating, self-corrective operation, the result of which is, as we have said, their centralization under their appropriate heads. It provides against all confusion between contingent and positive claims—between payments ordered and payments made; in a word, compels the grouping together of all facts which are of a similar or homogeneous character.

The present system.

120.—In proposing to your Lordships these extensive changes, we beg to refer to the following observations of the Clerk of the Pells, who says, that "although the accuracy attained by the ancient regulations and practice of the Exchequer be indisputable, and although the *primâ facie* argument in favour of a system thus effecting its objects has, on former occasions of inquiry, prevailed so far as to prevent the adoption of any material alteration, yet, as

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* Rapport au Roi sur l'Administration des Finances. Mai 1830. p. 5.

† Parl. Papers, 1831. No. 50. p. 18.

Exchequer Report.

Increase in business and expense.

as the perfection of the system rests upon the multiplication of checks, and the consequent diminution of individual responsibility, it is not without objections sufficiently apparent, and has an obvious tendency to increase the amount of business, together with the expenditure incurred in its discharge;"* and although it may appear that the existing system has provided for the safe custody of the public money, the security against fraud, according to the evidence given before the Commission of 1830, will be found to depend, not only on its ancient forms and usages, but to a great degree on the respectability and good conduct of the individuals who are employed to fill the situations of clerks in the Tellers' offices.

Mr. Wilde's evidence as to checks upon receipt of money.

121.—The following is the evidence of Mr. Wilde, who has been a clerk in Lord Bathurst's office for nearly thirty years:

122.—" Has the Teller's clerk no means of falsifying the entry of the payment in his books, so as at the close of the day to make it apparently agree with the improper payment made by the Bank clerk?—It is difficult to prevent a man, who is placed in an office of trust, from committing a fraud, if he is disposed to do so; but if a Teller's clerk were to commit a fraud, it must be discovered in the course of a very short period of time.

123.—" In point of fact, how many clerks are usually in attendance during the time of making payments?—Four.

124.—" Have they such a check upon each other's proceedings, that if any thing were done incorrectly by one, it must be discovered by the other?—The check I have alluded to, would certainly discover in a very short period of time any fraud that had been committed by any one of the clerks.

125.—" That check to which you alluded is the general system described in the return made to the Commissioners?—It is. The great security, however, against the commission of fraud, is the respectability of the individuals who are appointed to fill the situation of clerks in the Tellers' offices, because the temptation is certainly greater in those offices than in almost any other, the money being more at the command of the clerks.

126.—" In what respect?—The money is in the first instance frequently paid into his hands; it is always supposed to be so, though, for the convenience of business, it is generally received by the Bank clerk.

127.—" If it is actually received by the Bank clerk, in what way is it at the disposal of the Teller's clerk?—At the close of the day the Bank clerk sends in, to be locked up in the Teller's chest, the money which he has received in the course of the day; that money is for a time in the custody of the Teller's clerk.

128.—" Is it not in the chest?—Not until it is locked up.

129.—" What interval takes place between the handing it over to him, and the locking up?—Sometimes a very considerable one, an hour or two, and sometimes a very few minutes.

130.—" What is the reason for that interval?—The chest cannot be opened without the Clerk of the Pells and the Auditor attend, they having the custody of two of the keys; till they come the money remains in the possession of the Teller's clerks.

131.—" Does it remain in the possession of one, or of the clerks jointly?—Of the clerks jointly, in the office.

132.—" Where do they deposit it; have they any chest?—No; it is merely placed upon their desks.

133.—" Is it frequently left in the custody of a single clerk?—It may so happen.

134.—" So that it may frequently happen that a single clerk remains in the possession of a considerable treasure during the interval between the departure of the Bank clerk and the arrival of the proper officers to open the public chest?—It may so.

135—" And you consider that it is a proof of the respectability and integrity of the clerks of the Tellers, that that great temptation has not led to depredation?—I have never heard of any instance having occurred in the Teller's office of any public money having been misappropriated by any of the clerks. There are other sums of money which the senior clerk has the sole custody of; for instance, the fees which have been detained from persons receiving money at the Exchequer; these fees sometimes amount to a very considerable sum, which is entirely in his possession till paid over by him at the close of the quarter.

136.—" In what sense may that be said to be in his possession; is it in his possession by rule and regulation, with directions to him in what way to dispose of it, or is it only incidentally in his possession till the proper person takes charge of it?—It is in his possession from the moment it has been detained by him, until paid over at the close of the quarter.

137.—" To what amount may that occasionally go?—I have known it as high as 20,000 *l.*

138.—" Remaining in the hands of one of the clerks of the Tellers from some period in a quarter, until the close of it?—Yes.

139.—" Has no regulation been adopted with respect to that money, to give security to the custody of it?—Each clerk is under security to his deputy Teller.

140.—" To what amount may the clerks be under such security, to whom you have now alluded?—Not to the extent of the sum which they have sometimes had in their custody.

141.—" It is a case, then, of entire confidence on the part of the Teller towards his clerk?—Certainly it is. The money to which I have alluded is not public money; it consisted of fees which had been paid by individuals, and belonged to the Tellers. At the time when this large sum was in the custody of the Tellers' clerks, there were two unregulated Tellers, and the amount of fees was much greater then than it is at present.

142.—" That

* Appendix, p. 48.

142.—" That is no longer the case with respect to any fees which exist, upon the part of the public, and which are paid over to the Receiver of Fees?—No.

143.—" It only exists, then, with respect to the office of Lord Camden, if at all?—Exactly so; it has reference to what formerly existed.

144.—" Upon the whole, you conceive that it is due to the gentlemen of the Exchequer to state, that it is a proof of their integrity and correctness, that no depredations have ever been committed?—I do; for I am not aware of any depredation ever having taken place in the Teller's office.

145.—" What amount of money do you suppose may remain in the hands of the clerks, in the manner you have described, between the close of the business of the Exchequer and the depositing in the chest?—That depends upon the amount of the sum which has been received that day, the whole of which may be in his custody.

146.—" Is it not sometimes a large amount?—I have known it exceed 1,000,000 *l.*

147.—" In what shape does that money exist?—At present it exists in Bank notes.

148.—" Is it usually in Bank notes, such as would be easily available, or in cancelled notes, or in other descriptions of paper representing money?—Sums exceeding 10,000 *l.* are in what are called special notes.

149.—" Which special notes would not be available to any party committing the crime of purloining them?—Certainly not.

150.—" To that extent, therefore, with respect to the monies existing in that form, the temptation to the clerk is diminished?—It is.

151.—" That temptation only applies to that portion of the amount which is in sums under 10,000 *l.*?—It does; all sums below 10,000 *l.* are in common negotiable Bank of England notes.

152.—" So that a large sum would be available in the case of a clerk disposed to commit a depredation?—Certainly it would."*

153.—And Mr. Penwarne says, " By having but one Teller, or by the officers of the Bank of England attending at the Exchequer, receiving and paying the monies, as in fact they now do, the business would be transacted with equal if not greater security than it is at present, rendering unnecessary the whole of the accounts now kept by the Tellers, and many of those in the offices of the Auditor and the Clerk of the Pells.†

The payment of the public monies to the Bank more secure.

154.—The proposed simplification of the manner of receipt, by requiring the payment of all public monies into the Bank of England to the account of the Exchequer, will remove no one real security, while it will get rid of many unnecessary and cumbrous, if not dangerous transfers. So again with respect to the due security for the appropriation of any sum to the public service, that security will not be diminished, but be very considerably increased by the discontinuance of the practice of making issues to be placed under the custody of accountants, as it also will by the adoption of the plan proposed of giving credits at the Bank of England, instead of making such issues.

The Exchequer has retained ancient practices no longer applicable.

155.—The present system of the Exchequer had its origin in, and has retained many of the characteristics of, a period when the existing facilities and securities for the transfer of money were wholly or almost wholly unknown; when banks, bank credits, bank cheques and bank notes, had no existence, and when the whole system of pecuniary intercourse was rude and imperfect. Multiplied checks were needful at a time when all payments were made in coin by weight and tale; but these very checks become embarrassing, as well as useless, when the operations have changed their character. In its earlier history, the Exchequer sometimes received coin by weight, and at other times by counting (tale); and it had its departments both for melting and assaying, when the coin delivered was believed to be alloyed beneath the legal standard. The Roman numerals, uncouth, obscure and inconvenient as they are, and inapplicable to the commonest purposes of arithmetical calculation, were the usual *formulas* of abbreviation in the Norman period, and were consequently employed at the Exchequer, though the Exchequer is probably the only establishment in the civilized world that still retains them in preference to the simple and intelligible Arabic numerals, into which, in fact, every document is now translated in the Exchequer books.‡ In the same way much of the phraseology which is still retained shows how little suited to the present period are many of its ancient forms. The imprests, for example, were loans to individuals, for which they were accountable to the King, being in the Latin warrants

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* *See* Appendix, p. 173, *et seq.* † *See* Appendix, p. 41.

‡ The Commissioners of Accounts of 1782 thus express themselves as to the Forms then and still in use at the Exchequer:

" As to the Forms employed:

" An account in the Exchequer form is in English, but contains some Latin terms. The Imprest Roll is all written in an abridgment of the Latin language. The sums in both are expressed in characters that are in general corruptions of the old text, and are in use nowhere that we can find but in the Exchequer; characters very liable to mistakes, inconvenient and troublesome, even to the officers themselves. The sums so expressed cannot be cast up. Most of the accounts in the Exchequer are made up twice; first in common figures, that they may be added together; and then turned into Latin, and the sums entered in the Exchequer figures; and that the high numbers in a detailed account may be understood, they are written in common figures under the characters. They are defective, having no characters to express high numbers, as millions; they are unintelligible to the persons either receiving or having other money transactions at the Exchequer."—Journals, 1782. 456.

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warrants called sums *de præstito*, or, in the Norman French, *in prest* (whence imprest), that is, in loan, or, as they are sometimes called, an *accommodatum*, to the parties. Again, the ancient judicial functions of the Court of Exchequer gave to the terms which it employed a meaning which they no longer convey, while the changes in the character of all pecuniary transactions have made other terms obsolete and inapplicable. As respects the forms of receipt and issue, every process remains now nearly the same as when coin alone was current; the transactions, as at present conducted between the Bank and the Exchequer, the Tellers' chests, the mode of entering and vouching payments, the authorities for issues, are complexities which the facilities offered by banking may completely and advantageously supersede. In a quotation repeated by Mr. Barton, from the Report of Commissioners of Accounts in 1782, it was well remarked, "that if the alterations of the terms have taken away the necessity of the ancient formularies upon which the present mode of transacting business is founded, it is reasonable the superstructure should fall with it."

New establishment proposed.

156.—If the proposed arrangements be adopted, the business of the new Exchequer will be so much simplified and diminished, that it would be able to exercise all its functions with a very small establishment. It appears to us that an office consisting of the following persons would be quite competent to the discharge of every requisite duty:

	£.	Per Annum. £.
One Comptroller-general of the Exchequer - -	- -	2,000
One Deputy Comptroller-general - - -	1,000	
One Chief Clerk - - - - £. 800		
Two Sub-Clerks, at £. 200 - - - 400		
Two Auxiliary Clerks, at £. 120 - - 240		
Two Sub-Auxiliary Clerks, at £. 80 - 160		
	1,600	
		2,600
	£.	4,600*

Present establishment.

157.—The number of persons now employed in the Exchequer in the three departments of the Auditors, the Clerk of the Pells, and the Tellers, is 68, and the expense of the whole is - - - - - - - - - - - - - - £. 44,489. 9. 4.

The details are as follow:

Persons.	Offices.	Salaries.
28 - -	Auditors' Office - - - -	£. 14,407 - -
16 - -	Pells Office - - - - -	7,157 10 -
18 - -	Three Tellers' Offices - - -	17,124 19 4
		38,689 9 4
6 - -	Lord Camden's Office - - -	5,800 - -
68		£. 44,489 9 4

Considerable saving.

158.—The economy to the public, therefore, when the new system is in operation, will be very considerable. But in proposing these changes in the establishment of the Exchequer, we trust it will not be supposed we mean to recommend that so many officers should be reduced, without due consideration of their past services and present claims. We hope that none will suffer in their pecuniary circumstances, for we believe that the most certain as well as the most satisfactory means of introducing great changes in the public establishments with a view to economy, will be found to consist in as little interference as possible with the just claims of individuals. We are of opinion that the chief officer of the Exchequer should hold his office for life, and to secure a more effectual control than has hitherto existed over the application of the public money, we suggest that this officer should be required to prepare for Parliament, before the 15th day of January in each year, an annual account of all monies received, and of all credits ordered by the Exchequer during the previous year: and we further recommend that a law be passed constituting a Commission of persons independent of the Crown, and to be chosen annually by the House of Commons, to examine this account, and to report their opinion upon it before the annual budget is voted.

An annual Commission to examine accounts recommended.

A good system of accounts the best security.

159.—At the same time that we propose this new security for the faithful appropriation of the public money, we beg to repeat that the best security will be obtained in such a system of public accounts as is founded on the principles we have suggested.

We think that no holidays should be allowed at the Exchequer, except such as are kept at

* The duties of the different officers of the new Exchequer will be found detailed in Appendix (O.) p. 42.

at other public offices, and that the hours of attendance should be subject to regulations similar to those adopted by other departments. Exchequer Report.

160.—We have not hesitated in recommending to your Lordships changes so important as those we have suggested, believing, as we do, that they are demanded by the exigencies of the case, and being aware how little the ancient practices of the Exchequer have been modified by, or moulded to, the great improvements which have been introduced by experience into all financial concerns. But while we are strongly persuaded that very essential alterations are required, we have proceeded at every step of our progress with the utmost caution, and the strongest desire and determination to strengthen every real and constitutional security for the public treasure. Of the gravity and responsibility of the duties we have had to discharge, we are most sensible, and our anxiety has been increased by the consideration, that in this our first Report we have had to lay down some of those important principles which must be applied, as we proceed, to all the branches of the public service. While we have had to follow up many of the views of Commissioners who have preceded us in this part of the field of inquiry, we have also derived encouragement from the sanction of their recorded opinions, feeling with them the necessity of "recommending the abolition of ancient practices, which were thought by our ancestors absolutely necessary for the protection of the King's Revenue," and of "suggesting alterations opposed to the opinion of past ages,"* when those practices are become no longer applicable to the present state of things, and those alterations are peremptorily demanded by a due regard to the public interest and to the charge entrusted to us. Ancient practices of the Exchequer have not yielded to modern improvements.

In another Report we shall suggest to your Lordships such plans for the payment of the public expenses as appear to us necessary to be adopted, in consequence of the alterations we have brought under your consideration respecting the receipts and issues of the public money. Future Report as to payment of public expenses.

We have, &c.

(signed) *H. Parnell.*
J. Russell.
J. R. G. Graham.
James Kempt.
C. Poulett Thomson.
F. T. Baring.
Edward Ellice.

War Office, 8 October 1831.

COPY of Treasury Minute, dated 26th September 1834, for the Regulation of the Office of the Receipt of His Majesty's Exchequer.

1.—My Lords have under their consideration the Act 4 Will. 4, c. 15, intituled, "An Act to regulate the Office of the Receipt of His Majesty's Exchequer at Westminster," in order that my Lords may issue such direction to the several Departments and Public Offices, and promulgate such regulations for their government in the management of the business conducted by them respectively, as will be necessary to enable them to carry on the Public Service after the 10th October next, when the provisions of the Act will come into operation. Exchequer Regulation Minute.

2.—My Lords have already by their Minute of the 19th instant fixed the establishment of the office of the Comptroller-general of the Exchequer, and will immediately proceed to determine upon the establishment which will be necessary to enable the Paymaster, who will be appointed, under the authority of the Act, to discharge the important duties which will be confided to him.

3.—The 8th section of the Act requires that all monies, whether cash or otherwise, which may be in the chests or keeping of the Tellers of the Exchequer, shall be paid on the morning of the 11th October next into the Bank of England, to an account to be opened in the books of the Bank, to be called "The Account of His Majesty's Exchequer."

4.—According to the existing law, the monies for which each Teller is responsible are deposited in a chest in his office under three locks, the keys of one of which are in the possession of the Auditor, of one in that of the Clerk of the Pells, and of the other in that of the Teller. It appears therefore to my Lords, that the most convenient mode of making the payment on the morning of the 11th October will be, that some person should be deputed by the Bank to receive such monies at the Exchequer on account of the Bank, in the presence of the Auditor, the Clerk of the Pells and the Teller, or of the proper officers of their respective departments.

5.—Write to the Governor and Deputy-governor of the Bank, and communicate to them the request of my Lords, that they will receive payment of the monies which may be in the chests

* Report of the Commissioners appointed in 1824 to inquire into certain offices of the Exchequer. Papers of Committee of Finance of 1828, No. 27.

Exchequer Regulation Minute.

chests of the four Tellers of the Exchequer on the morning of the 11th October, in the manner herein suggested, and state that my Lords will issue the necessary directions to the Auditor, the Clerk of the Pells, and the four Tellers of the Exchequer.

6.—Let a letter be written accordingly to each of those departments, conveying to them the desire of my Lords that the payment to the Bank to the account of His Majesty's Exchequer on the 11th October of the monies which may then be in the chests of the Tellers, may be made in the manner pointed out in this minute, and at the same time state to the Tellers that when such payments shall have been made, and the statements of the particulars of such payments shall be delivered to the Comptroller-general, and transmitted to my Lords, as prescribed by the Act, it appears to this Board that their books should be closed and delivered, together with any public documents and any public property that may be in their custody, to the Comptroller of the Exchequer, and that the duties of the four Tellers will then be at an end, and that their functions as officers of the public will have ceased.

7.—My Lords will, on the receipt of the statements of the particulars of the monies paid by the Tellers to the Bank, issue the necessary authority and directions to the Comptroller of the Exchequer to apply to the services to which they are applicable such portions of the monies so paid over to the Bank as shall appear to have been specifically appropriated.

8.—Write to the Auditor of the Exchequer and to the Clerk of the Pells, and acquaint them respectively, that as His Majesty has appointed the Right Honourable Sir John Newport, Baronet, to be the Comptroller-general of the Exchequer, and as the Letters Patent will be in force on the 11th October next, it appears to my Lords that the functions and duties of the Auditor and of the Clerk of the Pells will cease on that day immediately after the payment of the monies in the Tellers' chests shall have been made to the Bank in the manner prescribed in this minute, and the Auditor and Clerk of the Pells shall respectively have delivered over to the Comptroller the whole of the books, records, deeds, papers, documents and vouchers whatsoever relating to the receipt of the Exchequer, and all standard weights and measures, and standard pieces of gold, silver, and copper, and all other articles of public property, except monies and securities for money which shall be in their custody, power or control, or in that of any of their officers, according to the directions of the Act, and that my Lords request they will govern themselves accordingly.

9.—Write to the Comptroller of the Exchequer to apprize him of the directions given to the Auditor of the Exchequer, to the Clerk of the Pells, and to the four Tellers, for his information and government.

10.—My Lords now proceed to consider what instructions it is necessary to issue to the several great departments of receipt with respect to the mode in which their accounts shall be kept with the Bank, and the revenue be transferred from the accounts of the several Receivers-general to the account of the Exchequer.

11.—In these several departments the public service is now conducted with regularity and despatch, under the existing arrangements; but it appears to my Lords to be advisable to introduce some further regulations for the sake of procuring as much uniformity of system throughout the whole as the nature of the service will admit, and for the purpose of affording additional facilities for the transaction of the public business, at the same time that the security of the public will be increased.

12.—From the manner in which the payments are now made for the public service in each of the departments of the Customs, Excise, Stamps and Taxes out of the revenue in its progress to the Bank, and from the manner in which the accounts are kept with the Bank, the Bank account is not a record, as my Lords conceive that it should be, of the whole of the receipts and payments of the several Receivers-general, the books of the Bank showing, of course, that part of the receipt only which has passed through the Bank. The practice in the department of the Post-office is different; the whole of the receipts and payments of the Receiver-general of that revenue are passed through his account with the Bank, and the account with the Bank is therefore in this case such a record as my Lords are desirous that it should be in the case of all the departments of the Revenue. My Lords are aware that considerable public inconvenience would arise in each of these departments if they were prohibited from making payments due to parties, under the authority of Acts of Parliament and of existing regulations, out of the revenue as it comes into their hands from day to day; that a very large number of such payments are necessarily made in very small sums, for which checks could not be drawn on the Bank, and that if they were enjoined to pay into the Bank the whole receipt, and were empowered to draw for such sums from time to time as might on estimate be necessary for the payments of the day, to be deposited in the Receivers' chests, that risk of loss would be incurred which does not now exist; and also that it would probably be necessary in each department to keep a larger balance in the hands of the Receiver-general to meet possible demands than would perhaps be usually required; my Lords do not, therefore, propose to interfere with the existing regulations in that respect, but will introduce such further regulations as they consider will attain the object they have in view, viz., that the Bank-book of each Receiver-general shall be such a complete record of his pecuniary transactions of receipt and expenditure as will afford additional facilities in the check and examination of his accounts when submitted to the Auditors.

13.—In

Exchequer Regulation Minute.

13.—In the department of the Customs, the receipt of the revenue closes at three o'clock in the afternoon, and between that hour and five o'clock, the balance of the receipts of the day, beyond the payments, having been correctly ascertained and checked, the whole of that balance, except a small fixed amount (retained to meet the early payments of the following day), together with any accepted bills ready for payment to the Bank, are deposited in the Bank, and written in to the account of the proper officers of the Customs.

14.—The receipt at the Excise Office continues to a later hour, and frequently until five o'clock, or occasionally later. It is for the convenience of the public that the office is so kept open, and it is not possible therefore in this department to follow the same rule as that which governs the Customs. Under the Acts of Parliament by which the office of the Receiver-general of the Excise has hitherto been controlled, no power was vested in the Receiver-general to draw from his account at the Bank any monies whatever for any service except for payment to the Exchequer. The necessary consequence has been, that in order to meet possible charges, the Receiver-general has been compelled to retain in his chest larger sums than would have been wanted, had a power been given to him to draw, under proper regulation and control, for such sums as the public service might require. It seems to my Lords to be highly expedient, and for the advantage of the public service, that such a power should be vested in the Receiver-general of Excise, to be exercised under such check and control, and subject to such regulations, as ensure in the other departments that nothing whatever is drawn for beyond what the public service absolutely requires. Under such an arrangement the whole of the Excise receipts at the chief office, beyond the sums paid from day to day out of such receipts, may always be paid over to the Bank without keeping any reserve in the chest of the Receiver-general. The late hour, however, to which the Excise receipt is kept open, as before stated, for the convenience of the public, will prevent the possibility of the entire receipt of the day from being paid over on that same day, and provision must be made, therefore, for the payment to the Bank of the receipts of the day up to a given hour, as near the close of business as practicable, so that the amount left in the Receiver-general's chest for payment to the Bank on the following morning may be as small as possible. At present the Receiver-general of Excise pays to his account at the Bank from time to time during the day such sums as are ready for payment, but is under the necessity, as already explained, of making always a considerable reserve under the authority of the Acts by which the office has heretofore been conducted. The Receiver-general was empowered to carry that reserve to the amount of 30,000*l.*: it might be extended by the authority of the Commissioners of Excise to 50,000*l.*; and with the authority of this Board to any larger amount that might be deemed necessary. It is true that in actual practice no such sums were reserved in the Receiver-general's chest, and under the regulations now proposed no reservation whatever will be necessary beyond some small sum to make incidental payments.

15.—In the Post Office, as in the Excise, the receipts continue to a late hour; and it is obvious that in that department the receipt must continue long after the Bank is closed. They commence also of necessity at a much earlier hour than in any other department of the Revenue. The payments to the Bank from the Post Office are made twice in the day; the balance of the receipts of the previous day being paid over early in the morning of the following day, together with any of the receipts of the day ready for payment; and the second payment being made before the Bank closes, in order that all available money received subsequently to the firs tpayment should be placed in the Bank without delay.

16.—The only mode in which the payment of the whole daily receipt, less the amount of the payments thereout, could be made to the Bank on the same day, would be by an alteration in the hours of business of the Bank, or by such a change in the hours of business in the Excise and Post Office departments as would be prejudicial to the public service. Some part of their daily receipts must always, therefore, remain unpaid to the Bank until the following morning; and provision must therefore be made for keeping that amount as small as possible, and for ensuring the payment of it to the Bank early on the following morning, in the department of the Excise, in the same manner as such balance is now paid in the department of the Post Office. The deposit for the night being made in both departments into the Receiver's chests, after the exact balance of the receipts and payments of the day shall have been ascertained and settled by the Receiver-general and the proper check officers.

17.—According to the regulations now in force in the department of the Stamps and Taxes, the actual surplus receipts of the day beyond the payments, is ascertained and checked by the proper officers before the business of the day is closed, and the amount is paid at the office of the Stamps and Taxes to clerks of the Bank, who attend there to receive it. In this case, therefore, the check officers of the department are not only satisfied as to the accuracy of the account, but they are also furnished at the same time with the proof of the actual deposit of the money at the Bank of England. As however the additional security obtained in this department is attended with some expense to the public, from a payment to the Bank for discharging the duty of receiving the money at the Stamp Office, my Lords have the arrangement under their consideration with the view of ascertaining whether the like security may not be attained with respect to the payment of the money to the Bank in the other departments without incurring such expense, and will hereafter give their directions upon the subject. Having thus taken a view of the practice followed in the different departments, my Lords proceed to consider the regulations which it will be proper for them to lay down, and they are of opinion that the following regulations may safely and properly be issued for the government of the several Receivers-general in their transactions with the Bank:

Exchequer Regulation Minute.

18.—That the practice which now exists in the departments of the Customs, Excise, Stamps and Taxes, and Post Office, of making payments out of the daily receipts upon proper and sufficient authority, and subject to the checks now in force, shall continue:

19.—That the Receivers-general of each department shall be authorised to issue drafts, payable from their account at the Bank, for the payment of such services as cannot properly be discharged out of the cash receipts of the day:

20.—That no draft drawn by any Receiver-general shall be payable by the Bank, unless countersigned by the proper check officer in each department, the name of such officer being certified to the Bank by the Commissioners of Customs, Excise, Stamps and Taxes, and Postmaster-general, and his signature duly recorded in the Bank books:

21.—That the whole of the public monies of each department in the books of the Bank shall be treated as one fund, and no transfers made therefrom to any separate account for the payment of salaries or charges of management; the effect of raising such a separate fund necessarily being, that a balance which might be paid into the Exchequer account might frequently remain upon the separate account:

22.—That in the departments of the Customs and Stamps and Taxes, the account of receipts shall be made up to the close of the hours of business every day; the balance of cash and of bills ready for payment to the Bank carefully ascertained and checked, and the whole amount paid over to the Bank, together with a draft or drafts, for the amount of the payments made in each department during the day out of the receipts, such drafts being posted in the books of the Bank to the credit as well as to the debit side of the account. By this means the amount of the whole receipt will be exhibited in the Bank books, and specific additional means afforded to those who audit the accounts of the several Receivers-general to check the sums for which they are accountable.

23.—In the departments of the Post Office and Excise, for the reasons above stated, the arrangement must be somewhat different. In those departments it appears to my Lords that payments to the account of the Receiver-general at the Bank may be made, from time to time, in the course of the day as at present, the last payment being made as near to the hour of closing business at the Bank as possible, and consisting of the whole of the balance at that time applicable to such payment.

24.—That when the receipt at each office is closed, the account for the whole day should be made up, and the balance accurately checked and settled; that such balance should be deposited, under proper security, as at present, in the chests of the Receiver-general, and be paid over to the account of the Receiver-general at the Bank the first thing on the following morning, together with a draft or drafts, as in the case of the Customs, and Stamps and Taxes, for the amount of the payments of the preceding day out of the receipts.

25.—By these arrangements it appears to my Lords that every facility will be afforded to the several Revenue departments which can be required, while the whole of the cash transactions of all the Receivers-general will be made to pass regularly through the books of the Bank; and as all the Receivers-general will now have the power of drawing from their general account for such sums as the public service may require, my Lords apprehend that there will no longer be any necessity for retaining constantly in any of their chests any sum beyond the small amount which may be required to discharge petty incidental disbursements. My Lords desire to be informed, by each department, what amount they consider necessary for that purpose.

26.—It remains for my Lords to provide in what manner transfers shall be made from the several Receivers' accounts to the account of the Exchequer. Such payments are now made by the several departments on two days in the week, but it appears to my Lords to be highly expedient the days of payment should be more frequent, in order that the revenue may become available for the public service with as little delay as possible, and they are therefore pleased to direct that such transfer shall, from and after the 11th of October next, and until further orders from this Board, be made on Tuesday, Thursday, and Saturday in every week, and that when the Bank shall not be open on any one of those days, that such payment shall then be made on the first following day on which it shall be open; and further, that on the four quarterly days, viz., 5th January, 5th April, 5th July, and 10th October, on whatever day of the week such day may fall, except Sunday, the transfers to the account of the Exchequer shall be made on those days also, and until five o'clock of the day as at present. My Lords desire to remind the different departments that it will be necessary that due care is taken to prepare, previously to each transfer being made, the specification papers required by the Act, and to procure the signature of the proper officers of the Exchequer thereto. Those specification papers, when signed by the Comptroller, or Assistant-Comptroller of the Exchequer, and accompanied by a write-off from the Receiver-general, and the proper check officer of the department, will be the authority to the Bank to transfer from the Receiver-general's account to the Exchequer account the sum total mentioned and set forth therein.

27.—My Lords will require that the Commissioners of Customs, Excise, Stamps and Taxes, and Postmaster-general, or in the absence of the latter, his Secretary, shall ascertain on the mornings of the day on which transfers are to be made to the Exchequer account, the actual balance at the account of each of their Receivers-general at the Bank of England; and that they shall then direct the largest amount to be transferred in each case, which can be transferred without inconvenience to the public service of their respective departments, allowing of no reservation of any funds at the account of any Receiver-general, beyond

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beyond what may be absolutely necessary; and my Lords further desire, that all such transfers may be made on the appointed days (except in the case of the quarter-days as above specified) by one o'clock of the day.

28.—It must further be clearly understood in each department, that my Lords do not mean by any of the directions of this Minute to authorise any payment to be made out of the gross revenue which is not authorised by existing regulations, nor to dispense with any control in making the orders and payments to which the several parties are at present subjected.

29.—Communicate to the Bank the regulations prescribed with respect to the mode in which the Receivers-general of these departments are required to keep their accounts at the Bank, and make payments therefrom, and transfers to the Exchequer account, for the information and government of that establishment; and state at the same time that it will be a great convenience to the public service if the Governor and Deputy Governor will give directions that the Comptroller of the Exchequer may be apprised as soon after one o'clock of the day as possible of the amounts which may, from time to time, be transferred by the several and respective Receivers-general from their accounts to the account of the Exchequer.

30.—In order to afford to my Lords full and ample information as to the receipt and application of the public monies passing through the hands of the several Receivers-general, my Lords desire that from each department there shall be transmitted to my Lords, instead of the certificate now furnished, a weekly certificate, to be prepared according to the form now before my Lords, such certificate being forwarded to my Lords every Monday, and being made to embrace the transactions of the previous week.

31.—My Lords have before them the forms of the several warrants, specification papers, instruments, and other documents which have been submitted for their consideration, as proper to be adopted for the better carrying of the purposes of the Act into effect.

32.—These forms are as follow:

1. Royal Order authorising the Board of Treasury to direct the Comptroller of the Exchequer to grant credits for the Army, Navy, Ordnance, and Miscellaneous Services of the year.

2 & 3. Treasury Warrant and Letter founded on the Royal Order.

4. Warrant of the Comptroller of the Exchequer to the Bank.

5. Treasury Warrant, authorising the Comptroller to grant credits to defray the charges on the Consolidated Fund.

6. Statement to be furnished by the Bank to the Exchequer, and to the Treasury, of payments made from day to day to the Exchequer Account at the Bank.

7. Statement to be furnished daily by the Bank to the Exchequer of payments made on the preceding day on the drafts or accepted bills of Public Accountants, on account of credits granted to them.

8. Specification Paper to be prepared by parties having payments to make to the Exchequer Account at the Bank, for the signature of the Comptroller or Assistant Comptroller, and of the Bank Cashier.

9. Weekly Certificate to be furnished by the Bank to the Treasury of the monies paid during the preceding week to the drafts or orders of public accountants on their Exchequer credits; and of the balance of money at the Exchequer account at the close of the week.

10. Weekly Certificate from the Bank to the Treasury of the cash balance of the several public accountants.

11. Certificate to be furnished weekly by the Exchequer to the Treasury, showing the amount during the week at the account of the Exchequer, and the several credits granted thereout.

12. Certificate to be furnished weekly by the Paymaster of Civil Services, showing the amount of credits on each head of service placed at his account at the Bank during the week; the amount of his payments on each head of service; and the balances remaining.

13. Estimate to be furnished monthly by the Paymaster-general, Treasurer of the Navy, and Treasurer of the Ordnance, showing the amount for which they will severally require that credits should be granted to them for services during the month, and the days on which credits will probably be required.

14. Weekly Return from the Paymaster-general, Treasurer of the Navy, Treasurer of the Ordnance, and Paymaster of Civil Services, of the receipts and payments on their respective cash accounts during the previous week.

15. The form of Acquittance to be given by the Comptroller of the Exchequer to such parties as shall make payments to the Exchequer Account at the Bank of England.

33.—My Lords approve of these several forms, and desire that copies thereof may be transmitted to the Comptroller of the Exchequer for his information, so far as they relate to his department, and that copies may also be sent forthwith to the Bank, and to the several departments to which they respectively apply, with instructions to adopt such forms on and after the 11th October next, in their communications with this office, Exchequer, and the Bank. My Lords further desire that they may be strictly attended to in this office.

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34.—With respect to the books which shall be kept in this office, in the Exchequer, and in the office of the Paymaster, for the purpose of recording the pecuniary transactions in the several departments as matters of account, my Lords desire that they may be such as are required in the system of book-keeping by double entry.

35.—My Lords proceed to consider what public officers will keep their accounts at the Bank of England, subject to the provisions of the Act now under consideration, in order that my Lords may transmit a list of such public accountants to the Bank, according to the provisions of the 18th section of the Act.

36.—It appears to my Lords that, for the present, and until further consideration, the following will be the public accountants to whom credits will be given by the Comptroller of the Exchequer:

The Paymaster-general.
The Master of the Mint.
The Commissioners for the Reduction of the National Debt.
The Governor and Company of the Bank of England.

37.—Transmit a list of these accountants to the Governor and Deputy Governor of the Bank of England, for their information and guidance, and state at the same time that in addition to the credit accounts, which will have to be opened with all of them in the books of the Bank, my Lords apprehend that payments of cash will, from time to time, be made by other parties to the account of most, if not of all of them; and that for the purpose of preventing confusion in the returns to the Exchequer, and to this office, it will be expedient that whenever such payment shall be made in cash to the Bank, they should be carried to a separate account, to be opened with each of them, and to be called, "The Cash Account," in contradistinction to the other, which should be called "The Exchequer Credit Account;" and that for the purpose of facilitating the business of the Bank, in posting the drafts and bills payable out of these separate accounts, my Lords will prescribe to each department that all accepted bills should be made payable out of the Exchequer Credit Account, and that all drafts drawn on the Credit Account shall be printed with ink of green colour, and those drawn on the Cash Account, with ink of red colour; all such bills and drafts having distinctly marked on the face thereof that they are not payable at the Bank after three o'clock of the day.

38.—State at the same time to the Bank that it would be a great convenience to the King's service if, when payments are made to the cash account of any of the beforementioned accountants, the cashiers of the Bank were directed to furnish a statement of the amount so paid to each account in each week, and of the amount paid to the drafts of the accountant on account thereof, to this Board at the close of the week.

39.—State at the same time to the Bank that some of the accountants, as, for instance, the Commissioners of Woods and Works, &c., and the Paymaster for Civil Services, will receive credit on more heads of service than one, and that in the case of the latter, the number of credits on which he would have to make payments would probably extend to 20 or 30, and that my Lords think it right to afford this information to the Bank, as it may facilitate their arrangements in opening the accounts in question.

40.—State at the same time to the Governor and Deputy Governor of the Bank, that the following accounts now opened at the Bank are considered by my Lords to be public accounts, within the intent and meaning of the 18th section of the Act, viz.:

The Agent-general for the Colonies.
The Agent for Chelsea Hospital.
The Receiver-general of the Customs.
The Receiver-general of the Excise.
The Receiver-general of the Stamps and Taxes.
The Commissioners of Taxes.
The Receiver-general of the Post-Office.
The Chief Clerk of the Insolvent Debtors' Court.

41.—My Lords have now under consideration the letters which had been addressed to them by the Paymaster-general, the Lords of the Admiralty, the Treasurer of the Navy, and the Master-general and Board of Ordnance upon the subject of the various arrangements which will be necessary in their respective departments, in consequence of the enactments of the Act for regulating the Exchequer.

42.—My Lords have also before them the Report of the Commissioners of Audit upon this subject.

43.—In considering the reports from the three great departments of public expenditure, the Army, the Navy, and the Ordnance, my Lords have much satisfaction in finding, in the several regulations submitted by those departments for the approval of the Treasury, such a concurrence as will render it easy to establish a general uniformity of practice for them, and for the other pay departments of the Government similarly circumstanced in relation to their accounts with the Treasury, the Exchequer, and the Bank of England.

44.—My Lords have in the previous part of this Minute expressed their approval of the form of the monthly estimates to be submitted by each of these departments, and they have therefore only to desire in that respect that they may be instructed, when that form is transmitted

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transmitted to them, to furnish my Lords with such monthly estimate at least six days before the commencement of the month to which such estimate applies; and to apply thereafter from time to time for the grant of such credits upon account of those estimates as the public service may require. If it shall happen in the course of the month that from unforeseen causes a larger sum may be wanted for any branch of service than the amount of the monthly estimate, the department requiring such larger credit will be expected to explain in their application the cause of the excess.

45.—In the communication directed to be made to the Bank, my Lords have adverted to the necessity that there should be, in the case of many of the Public Accountants, two accounts opened in the books of that establishment; one to be called the Exchequer Credit Account, and the other the Cash Account; this arrangement is necessary, because it is of essential importance to keep the accounts of the credits given by the Exchequer, and the sums paid on those credits, separate and distinct from all other receipts and payments; and my Lords perceive that in these three departments the necessity of such a course is clearly foreseen and duly provided for.

46.—My Lords are pleased to direct letters to be written to the Paymaster-general, to the Lords of the Admiralty, the Treasurer of the Navy, and the Master-general and Board of Ordnance, conveying to them the sanction of this Board to their several proposed arrangements, subject to the directions contained in this Minute as to the monthly estimate.

47.—State to them at the same time, that it appears to my Lords that when any balances may be at the respective cash accounts at the Bank of England, it will be expedient to exhaust those cash balances in making payments before any drafts are drawn on the Exchequer account; and that my Lords are of opinion, that it will be proper on the 11th October to transfer whatever balances they may have in the Bank to the cash account then to be opened.

48.—My Lords are quite aware that the more simple process would have been, to throw the amount of these cash receipts for old stores, rents, repayments, &c. into the Exchequer, and to issue them by credits from that account to the several departments; but such an arrangement cannot be effected without a special provision afforded by Parliament, and it would moreover be inconsistent with the financial arrangements for the current year, in which the estimated produce of such cash receipts are deducted from the estimates of the Navy and Ordnance expenditure.

49.—State to these several departments, that my Lords will require to be furnished weekly with an account showing the amount of such cash receipts in each department in the preceding week, and for the payments thereout, prepared according to the form now before my Lords, and let a copy of such proposed form be transmitted to them for their information.

50.—In communicating to the Paymaster-general upon this subject, acquaint his Lordship, that for the purpose of enabling him to make provision at the Bank for the payment of such bills as shall be drawn upon and accepted by this Board, my Lords propose that lists should be furnished to him from week to week during the month, of the bills becoming due in the course of the month, and that he should upon such lists give authority to the Bank to pay such bills out of the credits which may have been granted to him for Army Services. The previous warrants of my Lords, directing the Paymaster-general to apply such monies to such payments, will be furnished to that department from time to time, at such times as the public service may require.

51.—In the letter from the Secretary of the Ordnance, he communicates to my Lords the opinion of the Master-general and Board, that it is very desirable that the number of votes upon the Ordnance Estimates should be considerably reduced, by consolidating many of the items thereof, the adoption of which arrangement, the Master-general and Board state, will be attended with many advantages, and materially facilitate the making up of the accounts which will be required under the new Act in their department.

52.—If this suggested consolidation of the votes, now taken separately in the Ordnance Estimates, would tend in the slightest degree to weaken the check and control of the House of Commons over such expenditure, or to deprive Parliament of the fullest and most ample information upon every part of the estimate, my Lords would feel it to be their duty at once to object to it; but as no such consequences will follow, because the whole of the proposed expenditure will continue to be set out and explained in the estimates in as ample a manner as at present, and as my Lords are aware that by reducing the heads of service in the actual vote by a consolidation of such as are analogous to each other, public convenience will be experienced in the department, their Lordships are pleased to sanction the proposed alteration in the mode of preparing the Ordnance Estimates for future years.

53.—With respect to that part of the communication from the Ordnance which relates to the necessity of making provision hereafter for placing funds at the disposal of that Board, to enable them to pay for such services as they may be required to perform for other departments of the Government, my Lords desire that it may be pointed out to the Master-general and Board, that there is nothing in the Act to deprive that department of the means they now possess of making such payments, and that my Lords consider that it would occasion great complexity in the accounts of the Ordnance, and in the accounts of the other departments, if advances for all such services should be made hereafter on the estimate of a sum that may probably be required, instead of repaying, as at present, the amount actually disbursed, seeing that the exact amount that will be required cannot be known until the service has been performed. My Lords are of opinion, therefore, that the existing arrangements in that respect should be continued, and will take care

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that all such services shall be paid for by each department, as soon as the Ordnance shall be able to state what the amount of the expenditure has actually been.

54.—Under the directions of the Act of Parliament, and of this Minute, all payments now made in detail at the Exchequer, whether from the Consolidated Fund or out of grants in supply, many of which are issues to accountants upon imprest, will be made through the Paymaster of Civil Services, to whom credits for such purposes will be granted by order of this Board; and in order therefore to furnish to the Commissioners of Audit the means of placing such accountants in charge, my Lords are pleased to desire that the accounts of the Paymaster of Civil Services shall be made up quarterly, and transmitted immediately after the conclusion of each quarter to the Commissioners of Audit.

55.—Write to the Commissioners of Woods and Works, &c., the Comptroller of the Stationery Office, the Paymasters of Exchequer Bills, and to the several other public accountants referred to in this Minute, calling their attention to the Act for regulating the Exchequer, and communicate to them the directions of this Minute, so far as relates to each of them respectively.

56.—Transmit copy also to the Commissioners for Auditing the Public Accounts, for their information.

The following are the Forms referred to in the aforegoing Minute:—

No. 1.

ROYAL ORDER.

PUBLIC SUPPLY SERVICE, 1834–5.

OUR Will and Pleasure is, That you do place to the credit of
for the time being the sum of
granted to Us by for
at such times and in such proportions and out of such funds granted by Parliament for this service as shall be specified in the warrants and directions which you will receive for your guidance from the Commissioners of Our Treasury.

Given at Our Court at , this day of

BY HIS MAJESTY'S COMMAND.

Amount of or Grants for }
Credits already authorised thereon by Royal Order }

Remains - - £.

To the Comptroller-general of Our Exchequer.

No. 2.

SUPPLY SERVICES OF 1834–5.

BY Virtue of His Majesty's Royal Order of Credit to
dated for the sum of
These are to authorise and require you to transfer from the general fund of the Exchequer at the Bank of England to the credit of
or to the account of for the time being, the sum of
at such times and according to such proportions as We shall from time to time direct; and place the same in your accounts to the grants of money applicable to this service, which will be specified in Our directions.

Whitehall, Treasury Chambers,
this day of 183 .

Amount of Royal Order of - - - - £
Treasury Warrants in part thereof - - - £.

Remains - - £.

To the Comptroller-general of His Majesty's Exchequer.

No. 3.

PUBLIC SUPPLIES.

Sir, Treasury Chambers.

The Lords Commissioners of His Majesty's Treasury desire that you will authorise the Governor and Company of the Bank of England to grant out of the general fund of the Exchequer at the Bank, a credit of
to on account of the sum of
set forth in the Royal Order and Treasury Warrant,
bearing date respectively
and that you will charge the same in the accounts of your department as an issue out of [*here state the Fund.*]

I am, Sir, your obedient Servant,

To the Comptroller-general of the Exchequer.

No. 4.

To the Governor and Company of the Bank of England.

I hereby authorise you to grant a credit to
to the amount of
chargeable upon the funds of His Majesty's Exchequer at the Bank of England.

Exchequer
183 . } Comptroller-general.

Examined and Entered.

Chief Clerk in the Office of the Comptroller-general.

No. 5.

TREASURY WARRANT.

Consolidated Fund.

By Virtue of an Act
These are to authorise and require you to transfer from the General Fund of the Exchequer at the Bank of England to the credit of

and place the same in your accounts as a charge on the Revenues composing the Consolidated Fund for the Quarter ended

Whitehall, Treasury Chambers,
this day of 18 .

To the Comptroller-general of His Majesty's Exchequer.

Exchequer Regulation Minute.

No. 6.

BANK OF ENGLAND.

Cashier's Office,
day of 183 .

To the Comptroller-General of His Majesty's Exchequer.

A STATEMENT of the PARTICULARS of all SUMS paid into the BANK of ENGLAND to the Account of the Exchequer this Day.

	£.	s.	d.
CUSTOMS - - - - - - £. .			
——— Sugar Duties - - - - £.			
Excise - - - - - - - - - -			
Stamps - - - - - - - - - -			
Taxes - - - - - - - - - -			
Post Office - - - - - - - - -			
Pensions, Offices, &c. - - - - - - - -			
TOTAL - - - £.			

Certified by
———, Cashier.

No. 7.

BANK OF ENGLAND.

Cashier's Office,
day of 183 .

AN ACCOUNT of the several Payments actually made by the GOVERNOR and COMPANY of the BANK of ENGLAND, in the course of the day of , 183 , on account of Credits granted by the Comptroller-general of the Exchequer.

PAYMENTS:	£.	s.	d.	£.	s.	d.
Paymaster-general of the Forces - - - -						
Treasurer of the Navy - - - - - -						
Treasurer of the Ordnance - - - - - -						
Commissioners for the Reduction of the National Debt						
Paymasters of Exchequer Bills - - - -						
Paymaster of Civil Services, under the several heads of Credit granted to him, as - - - -						
Salaries - - - - - - -						
Pensions - - - - - - -						
Civil Contingencies - - - - -						
Windsor Castle - - - - -						
Civil List; 1st Class - - - -						
,, 2d Class - - - -						
,, 3d Class - - - -						
,, 4th Class - - - -						
,, 5th Class - - - -						
TOTAL - - - £.						

Certified
———, Cashier.

No. 8.

[Excise] Office,
day of 183 .

SERVICE of 183 .

[EXCISE.]

To the Cashiers of the Bank of England.

YOU are requested to receive and pass to the Credit of the Account of His Majesty's Exchequer, the Sum of
on account of [Excise Duties] according to the Specification at foot.

Receiver-General.

Specification.

£.	s.	d.

Countersiged,

Comptroller-General
of the Exchequer.

Bank of England,
day of 183 .

RECEIVED from Receiver-General of the [Duties of Excise]
the Sum of to the Credit of the Account of
His Majesty's Exchequer.

Ent^d.

——— Cashier.

Clerk.

No. 9.

EXCHEQUER MONIES in the BANK of ENGLAND,
Week ended

	£.	s.	d.
Balance remaining on the Account of His Majesty's Exchequer, on - - - - - -			
Monies received in the Week ended			
Total of Payments in the Week ended as per Appendix annexed - - - - - -			
Balance remaining on the day of			

EXCHEQUER BILLS issued to make good the DEFICIENCY of the CONSOLIDATED FUND. Quarter ended

	£.	s.	d.
Advanced on the credit of the Consolidated Fund - -			
Paid off - - - - - - - - - - -			
Balance outstanding, on			

Exchequer Regulation Minute.

Appendix to No. 9.

BANK RETURN of EXCHEQUER CREDITS and PAYMENTS thereout, in the Week ended

Folio.		Balance of Credits remaining on day of	Credits given in the Week ended	TOTAL CREDITS.	Payments thereon, in the Week ended	Balance of Credits, remaining on
	Paymaster-General of the Forces					
	Treasurer of the Navy - - -					
	Treasurer of the Ordnance -					
	Paymasters of Exchequer Bills -					
	Paymaster of Civil Services, &c. -					

No. 10.

CASH BALANCES of PUBLIC ACCOUNTANTS in the BANK of ENGLAND, in the Week ended

	£.	s.	d.
Balance remaining on - - - - -			
Monies received in the Week ended - -			
£.			
Total of Payments in the Week ended as per Appendix annexed - - - - - -			
Balance remaining on the day of £.			

Appendix to No. 10.

BANK RETURN of CASH BALANCES and PAYMENTS thereout, Week ended

Folio.		Balance of Cash remaining on day of	Cash received in the Week ended	TOTAL CASH.	Payments thereon, in the Week ended	Balance of Cash remaining on
	Paymaster-General of the Forces					
	Treasurer of the Navy - -					
	Treasurer of the Ordnance -					
	Paymasters of Exchequer Bills -					
	Paymaster of Civil Services -					
	„ &c. „ - -					
	„ &c. „ - -					

No. 11.

AN ACCOUNT of the Balance of PUBLIC MONEY remaining in the Exchequer on the day of 183 ; and the AMOUNT of MONEY received in the Week ending the day of 183 .

RECEIPTS.		
BALANCE on former Abstract.		Applicable to the Consolidated Fund
		" " Supplies - -
		" " Appropriated Funds
Consolidated Fund.		
Supplies.		
Appropriated Funds.		

AN ACCOUNT of the CREDITS issued from the EXCHEQUER in the Week ending the day of 183 ; and the BALANCE of PUBLIC MONEY in the Exchequer on the day of 183 .

CREDITS.	
	To Edward Henry Nevinson, Henry Jadis, and John Henry Latham, Esqrs., Paymasters of Exchequer Bills, to pay off Exchequer Bills issued to make good Consolidated Fund, per Act 57 Geo. III. c. 48
	To Governor and Company of the Bank of England - - -

ABSTRACT.

EXCHEQUER, day of

No. 12.

PAYMASTER CIVIL SERVICES.

RETURN of EXCHEQUER CREDITS, and PAYMENTS thereout.
Week ended

HEADS OF SERVICE.	Balance of Credits remaining on the	Credits granted in the Week ended	TOTAL CREDITS.	Amount of Cheques drawn and Bills due.	Balance of Credits remaining on the

Exchequer Regulation Minute.

No. 13.

An ESTIMATE of the CREDITS which will be required in the Month of 183

on the Grants for { Army / Navy / Ordnance } Services for the year 183

HEADS OF SERVICE	Grants for the Year.	Credits already given.	Present Estimate.
	£. s. d.	£. s. d.	£. s. d.
TOTALS - - -			

The Amount of the present Estimate will be probably required at the following periods:—

On the _____

_____

_____

_____

The Amount of the Balance on the Cash Account at the Bank of England on the day of 183 £.

No. 14.

WEEKLY STATEMENT of the CASH ACCOUNT of the PAYMASTER-GENERAL of the FORCES, TREASURER of the NAVY, or TREASURER of the ORDNANCE, at the Bank of England.

Balance on the 183 .			Receipts at the Bank in the Week ended 183 .			TOTAL.			Orders for Payment in the Week ended 183 .			Balance on the 183 .		
£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.

Army Pay-Office
183 .

No. 15.

Exchequer Receipt.

Exchequer Office, (P. Act 4 Will. 4, C. 15.) of Comptroller-General.

Acquittance _____ *day of* _____ 183

It is hereby certified that _____

_____

_____ *has paid into the Bank of England*

_____

_____

to the Credit of the Exchequer Account.

£. _____

Exam^d _____
Clerk in the Office of Comptroller-General.

_____
Comptroller.

MINUTE of the Lords of the Treasury prescribing Regulations and Orders for the Government of the Exchequer in Dublin, issued under 6 & 7 Will. 4, c. 83.—9 May 1837.

Exchequer, Ireland.

T. M., 9 May 1837.

1.—MY Lords read the Act 6 & 7 Will. 4, c. 83, intituled, "An Act for the better Regulation of the Offices of Vice-Treasurer and Teller of the Exchequer in Ireland," and proceed to consider what regulations and orders it will be proper to issue under the authority vested in this Board by that Act, in order to give effect to the intentions of the Legislature, "that "with a view to the advantage of the public service, it is expedient that the receipt and "issue of all monies forming the public revenues of the United Kingdom should be placed "under the control and superintendence of this Board; and that further and more effectual "regulations should be made in respect of the public monies in Ireland, and also in respect "of the offices of Vice-Treasurer and Teller of the Exchequer."

2.—After the fullest and most mature consideration of this very important subject, it appears to my Lords that the course which will be most conducive to the interests of the public will be, to place the control and management of the receipt of the public monies into, and the issue of such monies out of the Exchequer in Ireland, under the direction of the Comptroller-general of the Exchequer (appointed by the Act 4 & 6 Will. 4, c. 15, intituled, "An Act to regulate the Office of the Receipt of his Majesty's Exchequer at Westminster") in the same manner as the receipt and issues of public monies into and out of the Exchequer at Westminster are placed under the control and management of that officer; so that the public service in all parts of the empire may in that respect be subject as nearly as possible to the same regulations, and placed upon the same footing, such rules and orders being issued by this Board, under the authority vested in them, as may be necessary for the government of the Comptroller-general of the Exchequer, in so far as regards the duties proposed to be transferred to his office. By this arrangement, the control of the Board over the issues of public monies from the Exchequer in Ireland will be fully provided for, since no issue can then take place except under specific directions from the Lords of the Treasury to the Comptroller-general; while at the same time the most entire security will be attained that no issues will be made except in strict accordance with the votes or Acts of Parliament, because it will be the duty of the Comptroller-general to take care that no orders for the issue of money from the Exchequer in Ireland are obeyed, unless founded upon due authority, in the same manner as he now exercises the like control with respect to the issues of money out of the Exchequer at Westminster.

3.—It will also have this further advantage, that it will tend to simplify the accounts of the Treasury and Exchequer by bringing the whole of the receipts and payments of the United Kingdom into one account, as well as under one management, and will besides enable my Lords to make a more economical arrangement for carrying on this branch of the public service, by the entire abolition of the present establishments of the Vice-Treasurer and Teller of the Exchequer in Ireland, and the appointment of a reduced establishment to discharge the duties to be performed in Dublin.

4.—The establishments of the Vice-Treasurer and the Teller of the Exchequer in Ireland being abolished, and the duties proposed to be transferred to the Comptroller-general of the Exchequer having been placed under his management, provision must be made for the following duties in Dublin, viz., the payment of salaries, allowances, and other charges in detail to the parties entitled to receive them, and the charge and custody of the records of the abolished office of Auditor-general of the Exchequer in Ireland. And to make such provision for the execution of the first-named duties in the manner most nearly analogous to that which was sanctioned by Parliament with respect to the Exchequer in London, it will be necessary to create an office of Paymaster, with such an establishment of clerks and messengers as may be required for the purpose.

5.—The Acts relating to public works in Ireland, under which Exchequer Bills are issued for such services, require the Comptroller-general of the Exchequer at Westminster to deliver such bills to the Teller of the Exchequer in Ireland, or to some person appointed by him; and my Lords are not at present empowered by any Act to authorise the Comptroller-general to deliver the Exchequer bills to any other officer. It is therefore necessary to continue the appointment of Teller for this specific duty, and as this will be the only duty he will have to discharge, their Lordships are of opinion that the Paymaster should be appointed Teller of the Exchequer for this specific duty, but without any salary as such.

6.—In the Bill now before the House of Commons relating to public works, Ireland, a clause has been introduced, to give power to this Board to appoint such person as their Lordships may think proper to receive the Bills issued for public works, Ireland, for the Exchequer. If that Bill shall pass the two Houses of Parliament, and receive the Royal assent, my Lords, by appointing the Paymaster of Civil Services to perform the duty, will be enabled entirely to abolish the office of Teller of the Exchequer in Ireland.

7.—The Lord Lieutenant of Ireland having stated that he sees no objection to the measures proposed by this Board, and the Comptroller-general of the Exchequer having signified his consent to undertake the discharge of the duties intended to be transferred to him, my Lords desire that the proper warrants may be accordingly prepared for transferring such duties to his office; for altogether reducing the office of Vice-Treasurer; for reducing the office

Exchequer, Ireland.

T. M., 9 May 1837.

office of Teller of the Exchequer (except in so far as such office must be continued as above stated for the receipt, safe custody, and issue of Exchequer Bills, under the Acts 1 & 2 Will. 4, c. 33, and 6 & 7 Will. 4, c. 108, relating to the public works in Ireland); and for constituting an office of Paymaster of Civil Services in Dublin, to discharge the duties of paying in detail the salaries, incidents, allowances, and charges heretofore payable in detail at the Exchequer in Dublin, and to take charge of the records of the ancient and abolished office of Auditor-General of the Exchequer of Ireland, now in the custody of the Vice-Treasurer, which must, for the advantage of the public service, remain deposited in Dublin.

8.—My Lords now proceed to prescribe the regulations which, in their judgment, should be issued for carrying on these services in future.

9.—It appears to their Lordships that the course pursued with respect to the Exchequer in this country should be adopted as nearly as possible.

10.—That a new account should be opened in the books of the Bank of Ireland, to be styled the "Account of His Majesty's Exchequer."

11.—That the whole of the payments made by the several revenue departments should be carried to that account, and that no transfer should be at any time made from it by the Bank, either to the account of the Paymaster of Civil Services about to be appointed, or to any other account whatever, except upon an order to that effect proceeding from the Comptroller-general.

12.—That all such monies, whether paid into the Bank by the officers of the revenue, or remitted to the Bank on account of the revenue, either through its own branches or the branches of the Provincial Bank of Ireland, should be placed at once to the credit of that account; and that a certificate should be transmitted from day to day by the cashiers of the Bank, under their signature, to the Comptroller-general of the Exchequer, showing the amount lodged at the credit of the account of His Majesty's Exchequer from day to day; the returns now rendered by the Bank to the several revenue departments continuing to be made in the same form and manner as at present, with this exception only, that they should be transmitted daily as the lodgments are made.

13.—It will be the duty of the proper officers of the Customs, Excise, Stamps, and Post Office in London to render daily to the Comptroller-general a statement of the lodgments so made in the Bank of Ireland to the credit of the Exchequer Account on account of these respective revenues, prepared from the documents remitted to the revenue departments by the Bank of Ireland; and they will receive from the Comptroller-general of the Exchequer a discharge for the amount so paid in, as soon as he has ascertained that the amount stated by them corresponds with that certified to have been received by the Bank.

14.—The Comptroller-general of the Exchequer will upon these documents raise the charge in his books, as to the amount of revenue so paid in by the several revenue departments in Ireland.

15.—My Lords prescribe this course because it would obviously not be possible to adopt, with respect to the Exchequer at Dublin, that regulation of the English Exchequer which directs that no money shall be paid to the Bank without the production of a specification paper previously prepared at the Exchequer.

16.—No inconvenience attends the English practice, because the revenue offices and the Exchequer being situated at no great distance from each other, the specification paper can always be prepared, and the transfer made at the Bank, from the account of the revenue to that of the Exchequer on the same day; whereas if it were required that such specification paper should be prepared, in every case, before a payment could be made to the Exchequer account in Dublin, a very considerable delay would unavoidably occur; while the accuracy of the payments, and the knowledge of the proper heads of revenue to which the amounts are to be carried, will be entirely secured by the course proposed by my Lords.

17.—In addition, however, to the payments which will be made to the account of the Exchequer at the Bank of Ireland by officers and departments of the revenue, other monies will probably be payable to the public by individuals, on account of balances of declared accounts, repayments on account of advances for tithe, &c., in sums of small amount.

18.—In cases of this description, it appears to my Lords that the course most convenient to the parties, and that which will afford the greatest facility for ascertaining the accounts to which such payments should be carried by the Comptroller-general of the Exchequer, will be, that they should in the first instance all be made to the account of the Paymaster of the Civil Services in the Bank of Ireland; and that a notification should be given to him in each case by the party desiring to make the payment, stating the grounds upon which such payment is to be made; that he should thereupon furnish to the party an order to the Bank, in the same manner as in England, to receive the amount to the credit of his account (the Bank being at the same time instructed to receive no such payments except on production of such order), and deliver an acquittance for the amount to the party having made the payment, in exchange for the receipt of the cashier of the Bank of Ireland. It is the intention of my Lords, that the acquittance so given by the Paymaster shall be of the like force and validity as the acquittances now given by the Teller of the Exchequer.

19.—It will, of course, in all such cases be necessary that the Paymaster should charge himself in his books with the amount so paid in; and my Lords are of opinion that the amount of all the payments of this description which he may receive in the course of each week, should be transferred by him on the Wednesday and Saturday of every week from his account

account to the account of the Exchequer, transmitting at the same time to the Comptroller-general a statement in detail of the several sums making up the aggregate amount transferred, and taking the necessary credit in his accounts. The Comptroller of the Exchequer, on receiving this statement and comparing it with the certificate, which will have been forwarded at the same time from the Bank of Ireland, will carry the several amounts to the proper heads in his books, and transmit to the Paymaster his acknowledgment, which will form the Paymaster's acquittance with the Commissioners of Audit.

20.—Under the authority of the Act 56 Geo. 3, c. 98, the whole of the issues from the Exchequer in Ireland have been heretofore made by warrant of the Lord Lieutenant or the Vice-Treasurer, with the exception of the issues for the constabulary, which, since the passing of the Act 6 & 7 Will. 4, c. 113, have been made by warrant from this Board; but my Lords being of opinion, as already stated, that no issue should be made from the Exchequer for services in Ireland, except in the same manner as for services in Great Britain, that is, under the direct and immediate authority of this Board, it is their Lordships' intention that the Comptroller of the Exchequer shall not, from the day when the control and management of the Exchequer in Dublin is transferred to him, make any issue, except upon warrants which my Lords will grant, from time to time, as may be required for the public service.

21.—These issues from the Exchequer in Dublin may be divided under the following heads:

1. The dividends upon the public funded debt.

2. The fixed and periodical charges for salaries, allowances, annuities, and allowances to county infirmaries, &c., chargeable on the Consolidated Fund.

3. All other charges on the Consolidated Fund, and not repaid to the public.

4. The advances to county treasurers and others, repayable, either wholly or in part, by grand jury presentments or otherwise.

5. The payment for miscellaneous services, voted upon estimates in supply.

6. The remittances from the Exchequer account in the Bank of Ireland to the Exchequer account in the Bank of England.

22.—With respect to the dividends payable at the Bank of Ireland on account of the National Debt, it will be necessary that the Commissioners for the Reduction of the National Debt on the one hand, and the Bank of Ireland on the other, shall, before the termination of every quarter, furnish to this Board the certificates of the sums falling due at the commencement of the succeeding quarter, in the same manner as that information is now furnished by them to the Vice-Treasurer. My Lords will thereupon direct the Comptroller-general to make the necessary imprest to the Bank of Ireland, in the same manner as is now practised with respect to such payments at the Bank of England.

23.—The fixed charges on the Consolidated Fund for salaries, allowances, annuities, county infirmaries, &c., which are now paid in detail by the Vice-Treasurer and Teller, at stated periods, will be paid hereafter by the Paymaster to be appointed for the discharge of that and other duties. It will be necessary that schedules of all such charges, specifying in detail Parliamentary or other authority under which they are paid, shall be forthwith prepared by the Vice-Treasurer and transmitted to this Board—such schedules being so made out as to show the condition, if any, which may apply under the original grants to any of these charges, in order that due care may be taken that such conditions are strictly enforced.

24.—Wherever any of these payments have been heretofore charged with fees carried to the public account, it appears to my Lords that the same course should be taken as was followed in this country, viz., that the salaries or allowances, pensions or annuities, should be reduced to the net sums which have been received by the parties, and that the fees should be no longer collected. By this arrangement the account will be simplified, while the parties will be placed in precisely the same situation as at present.

25.—The Paymaster must transmit to this Board, not less than 10 days before the end of every quarter, a schedule showing in detail the several payments under the above class of services then falling due, accompanied by a statement of the differences, if any, whether from death or otherwise, between such schedule and the schedule of the previous quarter, and my Lords, after a comparison of the quarterly schedules with the original establishment, will direct the issue of the money, and return the schedule to the Paymaster, in order that he may pay the several parties.

26.—To enable my Lords to provide for the payments on account of post roads, and other services charged on the Consolidated Fund, the amount of which fluctuates from quarter to quarter, their Lordships are of opinion that an estimate of the amount which will probably be required under each head of service, setting forth the Parliamentary authority under which the issue will be called for, should be transmitted to them not less than 10 days before the expiration of every quarter; and as such information can only be furnished by direction of the Lord Lieutenant, my Lords request his Excellency will issue such instructions to the proper persons acting under his authority, as will enable the Chief Secretary to prepare and transmit such an estimate to this Board.

27.—The amount of that estimate will be charged by my Lords on the Consolidated Fund for the quarter, and imprests made thereafter by the Comptroller-general of the Exchequer to the Paymaster of Civil Services in Dublin, or to the Commissioners of Public Works, or to

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to any other public officer, as the case may be, to enable them to pay such services from time to time, on application from the Lord Lieutenant to my Lords for that purpose.

28.—In like manner my Lords are of opinion, that before the termination of every quarter, an estimate should be furnished to them in the same manner as such an estimate is now transmitted with respect to the constabulary, of the several advances which may probably be required during the ensuing quarter on account of advances to county treasurers and others, repayable by grand jury presentments or otherwise; and my Lords will, on subsequent application of the Lord Lieutenant, direct that the necessary imprests be made to the proper public accountant to defray such services. In order to enable my Lords to judge of the propriety of the imprests to the Paymaster or other public accountant when the imprests are applied for, it will be necessary that each requisition from the Lord Lieutenant should be accompanied by a statement of the grounds upon which it is proposed that the payments should be made; of the terms and conditions as to repayment upon which advances are recommended; and by a reference to the Act or Acts by which the issue from the Exchequer is authorised.

29.—My Lords are aware that cases of an unforeseen nature may arise in the course of a quarter requiring the immediate issue of the public money, and will provide for that necessity; but they think that, as a general rule, the same regulation which prevails at the Exchequer in England should be adopted with respect to the issues for Irish services, and that they should be furnished before the termination of each quarter with the estimates above referred to.

30.—The payments for services voted annually in supply will be made by the Paymaster of Civil Services, either in detail where they are now made in detail by the Vice-Treasurer and Teller, or by making imprests to those public accountants to whom imprests are now made.

31.—That my Lords may be enabled to give directions to the Comptroller-general for placing the necessary funds at the account of the Paymaster, they must receive from time to time from the Lord Lieutenant a statement of the issues required to meet the services voted by Parliament for Miscellaneous Services in Ireland; and my Lords request that His Excellency will give orders to all those parties who receive monies from the Exchequer upon account, to be disbursed in detail, to frame their requisition as to show—

1st. The balance in hand when the last issue was made to them.
2d. The amount of the last issue.
3d. The actual expenditure up to the period when the application is made.
4th. The balance then in hand, and
5th. The anticipated expenditure, for which an issue is required.

32.—My Lords will in like manner require from the Paymaster a weekly account, to be made up to, and including the last day of every week, showing the balance upon the first day of the week upon every head of service, paid by him at his account with the Bank of Ireland; the amount transferred to his account by the Bank on each head of service during the week; the amount received on his account during the week; the amount paid in the week; and the balance at the close.

33.—My Lords will also request the Governor and Deputy Governor of the Bank of Ireland to furnish them from week to week with a statement of the total balance on the last day of every week at the account of the Paymaster, whereby my Lords will have the means of checking the accounts rendered by the Paymaster; and further, it will be necessary that the Bank should transmit daily to the Comptroller-general a statement in detail of the several amounts transferred upon orders received from him from the account of the Exchequer, to the account of the several parties in whose favour such orders have been made.

34.—When imprests have been made to the Paymaster, on account of the miscellaneous services voted annually in supply, to be disbursed by him in small amounts, my Lords are of opinion that the payments in detail should be made, not on the direction of this Board, but on that of the Lord Lieutenant, signified by the Chief or Under Secretary; but that no payment be made on account of any particular service, which will occasion an exceeding beyond the imprest made from the Exchequer applicable to that service, unless the Lord Lieutenant shall signify that the case is of an urgent and pressing nature.

35.—My Lords do not anticipate that any such pressing necessity can ever arise, except under such extraordinary and peculiar circumstances as would occasion injury to the public service, by delaying to make the issue until the case is submitted to, and an order obtained from this Board. But in order to provide for the possible consequences of any such pressing necessity, if any such should ever arise, my Lords are of opinion, that, upon a specific authority from the Lord Lieutenant, under the hand of the Chief or Under Secretary, setting forth that public injury will be sustained by delay, the Paymaster should be authorised to make the payment for any service which may be ordered out of any money in his hands, reporting the circumstances forthwith to this Board, and that a statement of the facts of the case should be at the same time forwarded to my Lords by the Irish Government, in order that they may at once replace the monies in the hands of the Paymaster for other public services.

36.—The interest and principal of the Exchequer bills, issued for carrying on public works in Ireland, is now paid by the Teller of the Exchequer, out of monies remitted to him from the

the Exchequer at Westminster for that purpose. Under the existing arrangements the Commissioners of Public Works recover from parties the sums due on account of loans made to them, and pay such sums to the account of the Exchequer in Dublin. It is at present required, that such monies shall be first of all remitted from the Exchequer in Ireland to the Exchequer in London, in order to place them at the disposal of this Board, and of the Comptroller of the Exchequer, by whom alone arrangements can be made for paying off these bills. The amount so remitted to this country is then returned to Dublin, to be applied by the Teller in paying the interest or redeeming the bills. As soon as both Exchequers are placed under the same management, this course of proceeding will be entirely unnecessary, since by order of this Board and of the Comptroller-general, the money can be applied to its proper purpose at once out of the Exchequer in Dublin, and the balance only which is required transferred from the Exchequer account in one bank to the same account with the other.

37.—In like manner all other remittances from one Exchequer Account to the other will be made upon the warrants of the Board by orders of the Comptroller-general.

38.—It is the intention of my Lords, that the accounts of all advances to county treasurers and others repayable by grand jury presentments or otherwise, and of all repayments on such advances, except those made through the Commissioners of Public Works, shall be kept by the Paymaster; and he will take care to open the necessary books for that purpose. All advances, except those through the Commissioners of Public Works, and except for the constabulary, will be made through him; and he will have the means thereby of charging all such payments against the proper parties. The sums repayable to the public on account of the advances for the constabulary, will be reported to him by the Inspector-general, and he will thereupon raise in that respect the necessary charges against the counties.

39.—On the other hand, all repayments by county treasurers on account of such advances, except those made through the Commissioners of Public Works, must be carried by the Bank of Ireland to the account of the Paymaster, in order that he may have the means of ascertaining that the repayments due have been correctly and properly made; and he will, on the Wednesday and Saturday in each week, transfer the amount to the Exchequer Account, apprising the Comptroller-general of the amount so transferred.

40.—My Lords will immediately give orders to the county treasurers to make the repayments accordingly through the banks or branch banks, to the account of the Paymaster in the Bank of Ireland, and will furnish them with the necessary instructions for that purpose.

41.—The account of the Paymaster must be kept at the Bank of Ireland as a public account, and he will be considered as a Public Accountant upon imprest. His accounts, supported by all the proper vouchers, and by the book of his accounts kept at the Bank of Ireland, showing the receipts and payments as exhibited by the books of that establishment, must be transmitted immediately after the termination of every month to the Commissioners of Audit.

42.—The books of account of the Paymaster must be kept upon the principle of double entry; and he will take care that all monies paid to his account by individuals, all transfers to his account from the Exchequer, and all payments made by him, are duly and properly carried in those books to the several heads of service to which they respectively belong; taking care not to blend his accounts of the grants of the year with those of another for the same service.

43.—He will make all his payments by checks upon his account in the Bank of Ireland, in favour of those parties to whom payment is ordered to be made, but no check will be payable by the bank unless such checks are countersigned. My Lords are of opinion, for the protection of the public on the one hand, and of the Paymaster on the other, that such counter-signature should be given by the Accountant of his office, or in his occasional absence by the Assistant Accountant. It will be the duty of the Accountant or of the Assistant Accountant to ascertain, by an examination of the proper papers, that the check has been properly prepared, and the payment supported by proper authority.

44.—In the event of the occasional temporary absence from sickness or otherwise of the Paymaster himself, the checks on the Bank must be signed by the principal clerk acting as cashier, upon a power of attorney to be given by the Paymaster for that purpose.

45.—It remains for my Lords to provide for Ordnance and Army services in Ireland, the monies to defray which are now issued through the Exchequer in London and Bank of England by remittances to the Bank of Ireland.

46.—In all future applications from the Paymaster-general for the issue to him of public money for Army or Ordnance services, it will be necessary to specify in his applications to this Board, whether the monies are to be expended in this country or in Ireland, in order that my Lords may have the means of giving the proper orders to the Comptroller-general; since such issues for services in Great Britain will be made as at present, by a credit given to him on the Exchequer Account at the Bank of England—while those for services in Ireland will be hereafter made by a transfer from the Exchequer Account in the Bank of Ireland, to the credit of his account with that bank, and all such remittances rendered thereby unnecessary.

47.—My Lords having determined that the whole of these arrangements shall commence and take effect on Monday 15th May instant, they desire that instructions may be given to the Vice-Treasurer and Teller of the Exchequer to close their accounts with the Bank of Ireland

Exchequer, Ireland.

T. M., 9 May 1837.

on the 13th May, in the evening; to reserve out of the balance then in the Bank at the account of the Exchequer, the amount which may be required to pay any outstanding checks which may not have been presented at the Bank, and all orders then deposited with them, upon which no checks on the Bank shall have been issued, except all warrants for advances to be repaid, and all other warrants dated prior to the 1st January 1836; and to transfer the whole of the remainder of the balance to the new account to be opened for His Majesty's Exchequer. The amount so reserved must be at the same time transferred to another account, to be opened in the name of the Paymaster of Civil Services, and a list of the outstanding checks must be furnished to him, together with the whole of the orders for payment which have not been acted upon, with the exceptions above stated. The Paymaster must give an authority to the Bank to pay the outstanding checks on his account, and will make the necessary payments upon the outstanding orders delivered to him upon application to this Board by the proper parties.

48.—My Lords desire that the warrants bearing date prior to 1st January 1836 may be cancelled, and that a list thereof may be transmitted to this Board. They also desire that a statement may be furnished to them of the sums unsatisfied on the warrants for advances, and the warrants may at the same time be transmitted, in order that the proper directions may be given to the Comptroller-general of the Exchequer for the issue of such sums thereafter.

49.—The Vice-Treasurer and Teller must at the same time prepare and transmit to this Board, and to the Comptroller-general of the Exchequer, a statement of the sums so transferred to the accounts of His Majesty's Exchequer in the Bank of Ireland, showing to what heads of account the several component parts thereof should be carried, together with an account of the amounts remaining unissued on the several grants of Parliament, in order that my Lords may direct the preparation of the Royal orders, under the authority of which, issues will be made on account thereof.

50.—An account must also be furnished to my Lords of the amount transferred to the account of the Paymaster and of the heads of service to meet which such transfer has been made, when my Lords will instruct the Commissioners of Audit to charge the said amounts against the Paymaster.

51.—For the payment of such services as are defrayed out of the Consolidated Fund, and on account of which claims may arise between the 15th of May and the commencement of the ensuing quarter, my Lords will provide by granting imprests to the proper parties to defray such charges, upon receiving in each case the necessary information from the Lord Lieutenant, without having for this period the previous estimate which will in future be required.

52.—My Lords now proceed to consider what will be a proper establishment for discharging the several duties which will have to be executed by the Paymaster.

53.—The existing establishment of the Vice-Treasurer and Teller of the Exchequer, exclusively of the Record branch of the former office which is paid out of the Consolidated Fund, consists of fourteen officers and clerks, and four messengers, &c.

54.—The charge, including incidents, is, the minimum 5,473 *l.*, and the maximum 6,873 *l.*

55.—Upon full consideration my Lords are of opinion that in addition to the Paymaster, an establishment of eight clerks, two messengers, and one housekeeper will be found fully sufficient to discharge in a satisfactory manner the whole of the duties, and that this establishment should be fixed in the following manner; viz.—

One principal clerk and cashier, with a salary of 600 *l.*, increasing 20 *l.* a year to 700 *l.*
One accountant at 500 *l.*, increasing 20 *l.* a year to 600 *l.*
One assistant-accountant at 350 *l.*, increasing 20 *l.* a year to 450 *l.*
Two assistant clerks at 200 *l.*, increasing 15 *l.* a year to 350 *l.*
Three junior clerks at 90 *l.*, increasing 10 *l.* a year to 180 *l.*
One housekeeper at 92 *l.*, with an allowance of 73 *l.* for servants.
Two messengers at 74 *l.* each.

56.—The salary of the Paymaster himself should be fixed, my Lords think, at 1,000 *l.* per annum, which, although 200 *l.* per annum less than the salary of the Vice-Treasurer, will, it appears to my Lords, afford a fair remuneration for the duties he will have to discharge, and the pecuniary responsibility he will have to undertake.

57.—The charge upon the public for this establishment will be at the minimum 3,433 *l.* per annum, and at the maximum 4,303 *l.* per annum; being a reduction of six persons, and, as compared with the existing establishment, of 2,040 *l.* per annum at the minimum, and 2,540 *l.* per annum at the maximum.

58.—The immediate diminution of charge will be 2,334 *l.*, subject to the superannuation allowances, to be granted to the parties whose services will not be required upon the new establishment.

59.—My Lords do not now propose to make any alteration in the establishment of the Record Office, which will therefore remain as at present.

60.—My Lords, in conclusion, desire that attendance shall be given at the Pay-office in Dublin every day in the year, except Sundays, Good Friday, and Christmas Day, or any other day of public feast or thanksgiving, when other public offices are closed. That such attendance may be given from ten in the morning until four in the afternoon; the hour of payment closing however at three o'clock, to afford time for making up and balancing the accounts of the day, which my Lords desire may be done invariably before the business of the day is considered as finished. The hours of payment on Saturday to close at one o'clock, to afford the means to the Paymaster of preparing the weekly accounts, which must be despatched to this Board by the mail of that day; and finally, that to secure a due

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and regular attendance, the several gentlemen employed under the Paymaster shall record their actual attendance daily, in a book to be kept for that purpose. Exchequer, Ireland. T. M., 9 May 1837.

61.—Write to the several Revenue departments, so far as they are respectively concerned, and desire they will instruct their officers to act in conformity with this Minute.

62.—Write in like manner to the Governor and Deputy-governor of the Bank of Ireland, and request that they will take such steps as are necessary, so far as relates to the Bank, for giving effect to their arrangements.

63.—Transmit copy of this Minute to the Comptroller-general of the Exchequer for his information, and in order that he may act in conformity with the regulations therein laid down, for the government of his office, so far as relates to the Exchequer in Ireland.

64.—Write to the Chief Secretary for Ireland, and transmit to him, for the information of the Lord Lieutenant, copy of this Minute, and at the same time request he will move his Excellency to give such directions as may be required for carrying on the public service hereafter under these regulations.

65.—Let the proper orders be given to the Vice-Treasurer and Teller of the Exchequer of Ireland.

66.—My Lords having, by their Minute of this day, directed that a warrant may be prepared for appointing Thomas Francis Kennedy, Esq., to be Paymaster of Civil Services in Ireland, they desire that a copy of this Minute may be forwarded to him, with directions to act in strict conformity with the instructions issued by their Lordships for carrying on the duties of that office.

67.—Transmit copy to the Commissioners for Auditing the Public Accounts, for their information.

Treasury Minute of 19 August 1836, regulating the Office of the Paymaster-General.

Pay Office. T. M., 19 Aug. 1836.

1.—My Lords have again under their consideration the Act 5 & 6 Will. 4, c. 35, by which His Majesty is empowered to consolidate into one office the several and separate offices of Paymaster of the Forces, Treasurer of Chelsea Hospital, Treasurer of the Navy, and Treasurer of the Ordnance, together with the letters which have been addressed to this Board by the Lords of the Admiralty, the Master-general and Board of Ordnance, the Secretary at War, the Paymaster of the Forces, and the Commissioners of Chelsea Hospital, upon this subject, in reply to the communications addressed to those departments thereupon.

Concurrence of the Executive Departments in the principle of the arrangement.

2.—My Lords perceive with much satisfaction from these Reports, that the leading principles upon which it appeared to this Board that the proposed consolidation should take place, have met the general concurrence of the executive departments, and that the arrangements submitted by them for the consideration of my Lords are such as to enable their Lordships now to proceed in establishing the regulations by which, in their opinion, the transactions of the Pay Office should be governed in its relations not only to this Board and the Exchequer, but also to the great departments of the Navy, Army, and Ordnance, and the community at large.

Locality.

3.—There can be no doubt that the business of the consolidated offices should be carried on under one and the same roof; and as the building in which the existing Army Pay Office is established, is, from its proximity to the Treasury, to the Exchequer, the Admiralty, and Ordnance and War Offices, the most conveniently situated for the public, and as by reason of the official residence of the Paymaster of the Forces having been given up, there will be ample accommodation for the purpose, my Lords are of opinion, that as soon as the Sign Manual Warrant is issued, consolidating the separate offices into one, the buildings now occupied by the Navy Pay Office, the Ordnance Treasurer's Office, and the establishment of the Deputy Treasurer of Chelsea, should be given up, and the whole of the books, papers, and documents of those offices removed to Whitehall.

New office to be divided into four branches.

4.—To secure the ready execution of all orders addressed to the Paymaster-general by the Admiralty, the Ordnance, the Secretary at War, the Commissioners of Chelsea Hospital, and by this Board, and in order that the whole business of the office may be conducted with convenience, simplicity, and regularity, it appears to my Lords that the establishment should consist of four separate branches, of which two would be employed in making payments, one in examining the accounts and vouchers and keeping the necessary books of account, and the fourth in superintending the whole of the department, and in conducting the correspondence, so as to ensure that all the regulations and orders which may be issued with respect to it are duly and carefully attended to.

Responsibility of the heads of the four branches.

5.—The persons placed at the head of these several branches will be assisted by such a number of clerks as is necessary for the discharge of the duties of the office, and they will be severally responsible that the whole of those duties are performed in a satisfactory manner.

Payment of effective and non-effective charges in separate branches.

Vouchers to be first examined and noted in the Accountant's branch.

6.—It is the intention of my Lords that the two branches into which the paying department of the office will be divided, shall each pay separate and distinct classes of service; that one branch shall pay the whole of the effective charges of the Army, Navy, and Ordnance; the other, the whole of the non-effective charges: but that no payment whatever shall be made by either until the document upon which such payment is claimed has been first examined and noted in the Accountant's branch, with whom will be deposited all authorities for making payments.

Pay Office.

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Imprests.

Pay clerks at the ports.

7.—In the case of the effective services, some of the payments will necessarily be made by way of imprest to other parties, having to account in detail for the application of such imprests to the Admiralty, the Secretary at War, and the Ordnance.

8.—Of this class will be advances to regimental agents, to the pay clerks of the yards for payment of ships' wages, and other disbursements of wages and charges relating to the yards; to the Ordnance regimental agents for the pay of the artillery and engineers, besides others at various different stations, to whom advances of small sums are made upon account to be afterwards rendered.

9.—All other payments by the Paymaster-general to individuals will be in the nature of final payments, as they will be the specific sums due to the individuals, in whose favour the orders have been issued.

Imprest bills to be admitted as vouchers to the Paymaster-general's accounts.

10.—The accounts of the former class of payments will be rendered, as they now are, by the several sub-accountants, to the Secretary-at-War, Admiralty and Ordnance, for examination, and the amounts issued to them respectively will be admitted to the credit of the Paymaster-general, upon production to the Auditors of Public Accounts of the receipts of the parties, accompanied by the authorities upon which the imprests were made, without requiring any further or other account from him; but in issuing such orders for payment, it will be proper that the Secretary-at-War, the Lords of the Admiralty, and the Master-general and Board of Ordnance should, as far as may be practicable, specify on the face of the warrant or other instrument addressed to the Paymaster-general the particular head of service, as voted by Parliament, and the year for which voted, to which such imprests are to be applied. In the case of such imprests made for Army and Ordnance services to be defrayed in this country, my Lords apprehend that there will be little difficulty in complying with this regulation; but in the naval departments they are aware that this would not be practicable beforehand, on account of the great variety of services which are paid by the pay clerks at the ports out of the same imprest; and unless the pay clerks at the ports be authorised to apply the moneys imprested to them for naval services generally, it would be absolutely necessary to grant imprests on account of every head of service for which they are required to make payments, whereby the balances in their hands might be unnecessarily augmented beyond the wants of the service.

Orders to contain on the face of them the service and year to which they are chargeable.

Bills for final payments to specify services.

11.—In the case of all final payments, however, that is, to parties to whom the amount paid is actually due to them for service rendered or supplies furnished, and who therefore are not liable to render any further account to the public, my Lords apprehend there will be less of difficulty, and they are desirous that, in every possible case, the particular head of service to which the payment ought to be carried should be specified on the order for payment.

Monthly abstracts of application of imprests to be furnished.

12.—In those cases in which this information cannot be furnished beforehand, my Lords desire, according to the proposition of the Accountant-general of the Navy, that abstract accounts of the application in detail of such imprests and payments, under the several heads to which the money has been applied, shall be furnished as soon as possible after the termination of each month by the Admiralty to the Paymaster-general, to be posted in his books. With respect to payments made at the stations abroad, it will be necessary that the expenditure for naval and for ordnance services should continue to be made as at present by advances from the Military Chests to the naval and ordnance officers at those stations, under the regulations now existing. Those advances will be accounted for as at present, and the amount set off in the books of the Paymaster-general, upon statements from the proper officers of the Admiralty and Ordnance, of the separate heads of disbursement to which such advances have been applied. By these arrangements the books of the Paymaster-general will eventually be made to show, in the case of all the three great departments of expenditure, the actual charge, during each year, for each head of service voted by Parliament, an object which my Lords conceive of great importance.

Application of advances abroad to be furnished for the Paymaster-general's books.

Accounts to be kept by double entry.

13.—The Paymaster-general will, therefore, take care that in the books of account in his office, which my Lords desire may be kept throughout on the principle of double entry, the several payments made by him are duly and regularly carried to their several proper heads of service, so as to enable him to show to Parliament, and to this Board, when required, the progress of the expenditure, not only in aggregate sums for Army, Navy and Ordnance Services, effective and non-effective, but likewise, so far as the orders received by him will do so in the first instance, and accurately in all their parts after he has received the monthly abstracts, and certificates adverted to, the detail of such general expenditure under the separate classes into which the Estimates are divided, and the money voted. Until he shall receive the monthly abstracts above stated from the Accountant-general of the Navy, he will carry all imprests made by order of the Admiralty to the general head of Navy Services, Effective. In like manner all drafts upon this Board drawn by commissaries for the supply of the Military Chests abroad should be carried to an account to be specially opened as the Military Chest account.

Imprests to be posted as Navy services, effective, till abstracts are furnished.

Sign-manual warrant for army services.

14.—The orders which will be addressed to him for the payment of the effective services will, so far as relates to the Army, be Sign Manual Warrants of His Majesty, countersigned by this Board; upon which will be set forth the total amount granted by Parliament for each head of Effective Army Service for the year; and upon this Warrant will be founded the orders or warrants of the Secretary-at-War, issued from time to time from that department. The warrants of the Secretary-at-War will be so prepared that all the several sums which may be to be received by one and the same agent at the same time, though for different regiments, shall be set forth in one and the same warrant, instead of the separate warrants now in use; but care must be taken not to include in the same warrant issues to be made for different classes of services; and the Paymaster-general will be held responsible to this Board not to issue a larger sum for any head of service for any year, upon the order of the

Paymaster-general not to issue more than voted under any head for Army.

Secretary-

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Secretary-at-War, than that stated in the Sign Manual Warrant, without first obtaining the special sanction of this Board.

15.—In the case of the Navy and Ordnance, warrants will in like manner be issued from this Board to the Paymaster-general, setting forth the sums granted by Parliament for each head of effective service, and the Paymaster-general will take care that no larger amount is issued upon any orders received by him for Ordnance services than the amount of the specific grant for each head of service until after special report to this Board, nor, in the case of the Navy, than the aggregate amount of the several Votes for effective services taken together.

Paymaster-general not to issue more than voted under any head for Ordnance.

16.—It will be a subject for future consideration, whether an arrangement may not satisfactorily be made for enabling the Paymaster-general to record at once, in the case of the payments made in this country for Naval services, in the same manner as in that of the Army and Ordnance, the particular head of service to which every payment shall be carried.

Practicability of applying naval payments at once to heads of service to be considered hereafter.

17.—No payment for any Naval service, either by way of imprest or of final payment, will be made, except upon an order signed by one of the Lords of the Admiralty, and by the Accountant-general of the Navy; nor any payment for any Ordnance service, except upon the signature of the Master-general, or of Two of the Members of the Board of Ordnance. It will rest with the Secretary-at-War, the Lords of the Admiralty, and the Board of Ordnance, to prescribe such forms of warrants or orders as shall appear to them respectively to be the best calculated for the particular case of each department.

Bills to be signed by the Accountant-general and a Lord of the Admiralty.

18.—All such warrants or orders must be delivered either by the parties in whose favour they are issued, or be transmitted by the department itself, to the Paymaster-general, and be noted in the accountant's branch of his office, and be there deposited, to accompany the accounts of the Paymaster-general for the examination of the Commissioners of Audit. The parties applying for payment upon such warrants or orders, must address themselves, in the first instance, to that branch of the office, and will there be furnished with an authority to the Paymaster, by whom the service is paid, and who will make the payment either by a check on the Bank of England for the amount payable at the Bank, or by an order upon a Bank Clerk sitting at the Pay-office, who will be appointed by the Bank for that purpose, and who will upon such order pay the party in cash. My Lords will, in a future part of this Minute, point out those classes of services which will be payable in the manner last mentioned.

Process of paying Bills.

19.—All subsisting general warrants of authority must therefore be delivered at the Pay-office as soon as the consolidation takes place, in order that they may be there recorded, deposited and acted upon.

All existing General Orders for payment to be communicated.

20.—The practice now in force at the Navy Pay-office with respect to allotment tickets and other orders for the payment of certain small sums on account of wages, will continue in force at the Consolidated Office. The parties will be paid the sums allotted to each at the prescribed periods, their receipts taken for such payments, and the amount be carefully set forth on the original orders under which they are paid, (which they retain), and upon the duplicates which remain with the Paymaster-general. The receipts must, however, be transmitted to the Accountant-general of the Navy, in order that he may be enabled, not only to charge the amount in his books against the several persons on whose account such advances have been made to their relatives, but also have the means of proving that fact in every case when the ships' books are made up, and the wages are paid to the seamen.

Allotments to continue in force.

Allotment receipts to be sent to Admiralty after payment, to be set off.

21.—The Accountant-general, on the other hand, will furnish to the Paymaster-general a monthly abstract prepared from such receipts, to be signed by one of the Lords of the Admiralty, which will show the amount paid during the month upon such accounts, and that certificate will be admitted by the Commissioners of Audit as a voucher for such payments in the Paymaster-general's accounts.

Certificate of allotments paid to be furnished by Accountant-general.

22.—The Navy and Ordnance Effective Services are frequently paid by means of bills drawn by the parties who are to receive such monies on their own behalf or are to account for them thereafter.

Bills of Exchange.

23.—In the Ordnance such bills are never drawn, except upon a distinct direction given in each case; and my Lords are therefore of opinion that for the future all such bills should be drawn upon the Paymaster-general, and be accepted, payable at the Bank of England, due authority being given to him by the Board of Ordnance to accept, and by him to the Bank to pay, all such bills.

Ordnance Bills of Exchange to be drawn on the Paymaster-general.

24.—In the Navy, however, such bills are more generally drawn under the authority of general regulations; and as the Paymaster-general could not be apprised beforehand that the parties were duly authorised to draw the bills which might be presented to him, delay and inconvenience would be sustained by the public if such bills were drawn upon him, because, before they could be accepted, he would have to refer in almost every case to the Admiralty.

Navy Bills of Exchange;

25.—The better course, therefore, with respect to these bills will be, that they should still be drawn, as at present, upon the Accountant-general of the Navy, and be accepted by him under the authority of the Admiralty, payable at the Bank of England, on the account of the Paymaster-general, due notice of all such acceptances being given to the Bank on the one hand, and to the Paymaster-general on the other. The bills would be vouchers to the Paymaster-general's accounts, and would be admitted as such by the Commissioners of Audit.

to be drawn on the Accountant-general, and accepted payable at the Bank.

26.—Payments for Army services in Ireland have been heretofore made upon the warrants of the Secretary-at-War, issued from time to time upon the Vice-treasurer, who acts as Paymaster-general in that part of the United Kingdom.

Army services, Ireland.

27.—Upon the receipt of such warrants, the Vice-treasurer submits to the Lord Lieutenant a recommendation for the issue to himself, as Paymaster-general, of the exact sum set forth in

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in the order of the Secretary-at-War, and upon his receipt of the Lord Lieutenant's warrant, he countersigns and transmits it to the Teller of the Exchequer, by whom the amount is transferred from the Exchequer account in the books of the Bank of Ireland to the separate account of the Vice-treasurer, as Paymaster-general. The Vice-treasurer then grants his check on the bank in favour of the party named in the warrant of the Secretary-at-War.

Army services, Ireland. 28.—Instead of this complicated course of proceeding, my Lords desire that the warrants of the Secretary-at-War for payments in Ireland shall be addressed to the Paymaster-general, in the same manner as for services in England, and that the sum thereby ordered to be issued shall be transferred by the Paymaster-general from his account with the Bank of England to that of the Bank of Ireland, a direction being at the same time transmitted to the Bank of Ireland to place the amount to the credit of the party named in the Secretary-at-War's warrant. The party in whose favour such account is raised in the books of the Bank of Ireland must be required by the Paymaster-general to deposit with the Bank of Ireland an acknowledgment that the amount has been placed to his credit in the books of that bank, and the bank must be requested to receive that acknowledgment, and to transmit it to the Paymaster-general before they honour any of the drafts of the party on account of the credit so raised in his favour.

Ditto. 29.—My Lords will communicate with the Bank of Ireland, in order that their consent may be obtained to this arrangement.

Ordnance services, Ireland. 30.—The Master-general and Board of Ordnance having under consideration a general measure with respect to all Ordnance services in that part of the empire, my Lords think it will not be advisable to alter in the meantime the arrangements under which the payments are there made for such services.

Ditto. 31.—The Paymaster-general will therefore continue to transfer money, from time to time, from his account with the Bank of England to the credit of the Bank of Ireland, upon the order of the Master-general and Board of Ordnance, on account of the deputy treasurer in Dublin, and the receipts of that officer, and the order of the Board of Ordnance for making such transfer, will be his vouchers.

Ditto. 32.—The deputy treasurer must, however, render his accounts, supported by all the vouchers, monthly to the Paymaster-general, to be by him transmitted for examination to the Auditors of Public Acounts.

Naval payments at the ports. 33.—Payments for Naval services are made in this country at the ports of Sheerness, Chatham, Portsmouth and Devonport, by pay clerks, borne on the establishments of the Treasurer of the Navy, and by the storekeepers at Pembroke, Woolwich, and Deptford dockyards, as well as by other sub-accountants, for sums of smaller amount, at the marine stations and naval hospitals. At Woolwich and Deptford yards, other payments, besides those by the storekeepers, are made at certain fixed intervals, and also when ships' wages are paid, by a clerk despatched expressly for that purpose from the office in London.

Ditto. 34.—My Lords are of opinion that the pay clerks at Sheerness, Chatham, Portsmouth and Devonport, should be hereafter upon the establishment of the Paymaster-general, as they now are upon that of the Treasurer of the Navy, and should make the whole of these payments, except those for the non-effective charges of the Navy, in the same manner and under like authorities as at present, and that they should be furnished with funds to make such payments under the same regulations as now exist, through the Bank of England, upon orders from the Admiralty. My Lords will prescribe the course to be taken with respect to the non-effective charges in the future part of this Minute; but as these pay clerks will be on the establishment of the Paymaster-general, my Lords are of opinion, that they should transmit weekly to him an abstract, certified by the check clerks of the port, and by the captain or admiral superintendent, showing the amount paid by them during the week, and the balance in hand at its close.

Pay clerks to be on the establishment of the new office.

Weekly accounts of port payments, and balance to be transmitted.

Payments at Woolwich. 35.—The payments at Woolwich are, as already stated, partly for services connected with the yard itself, and partly for wages to ships' crews, or allotments on account of wages. It appears, from the statement of the Accountant-general of the Navy, that the whole of these payments cannot be made by the storekeeper without an undue interference with the other duties of his office; and although my Lords are desirous of avoiding what they think a very inconvenient practice, viz., that of despatching a clerk from London to make such payments, it will nevertheless be necessary that that practice should be continued for the present with respect to all payments not immediately connected with the service of the yard. But my Lords request the Lords of the Admiralty will consider whether an arrangement might not be made under which every payment at Woolwich might hereafter be made through the storekeeper. In any case the whole of the payments for the yard should at once be transferred to him, and imprests made to him of the sums required to defray such charges by order of the Lords of the Admiralty. It will be his duty, however, to attend, or to depute some one on his behalf, and for whom he will be accountable, to attend at the Pay-office, with his receipt, for the purpose of receiving such imprests from time to time.

Payments at Deptford. 36.—With respect to payments at Deptford yard, it appears that the payments for services not connected with the yard are so few, and of such trifling amount, that there will be no difficulty in effecting them through the storekeeper of victualling, to whom imprests will be made in the same manner as to the storekeeper at Woolwich.

Payments at Pembroke. 37.—The system now in force at Pembroke will be continued, and the imprests to the storekeeper there will be made, as at present, through the Bank of England.

Ordnance imprest. Accountants to draw on the Paymaster-general. 38.—The Ordnance sub-accountants in Great Britain, in every case, except at the Tower, and at any other station in the immediate vicinity of London, where the personal attendance of the party will not be inconvenient to the service, will be furnished with the funds for making

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the payments ordered by the Master-general and Board of Ordnance, by means of bills on the Paymaster-general, which they will be authorised to draw by the Board of Ordnance, the authority to accept such bills being at the same time given to the Paymaster-general. The payments for wages and small disbursements at the Tower should be made by an officer of the storekeeper's establishment, as at the other stations, and imprests made to him, and to any other storekeeper not drawing bills in person at the Pay-office from time to time for such purposes.

Commissariat advances; present practice.

39.—The whole of the monies raised for the public service abroad, except the small sums drawn from time to time by captains or pursers of His Majesty's ships, are procured by means of the bills of the commissariat officers upon this Board, which are paid in the first instance out of Army grants; and the wants of the Naval and Ordnance services are supplied, as already adverted to, by imprests made by the different commissaries from the military chests to the officers of those two branches of the public service, re-payment from the grants of Parliament for those services being made in this country, upon certificates from the Commissioners of Audit that such advances have been received abroad by the Naval and Ordnance officers.

Commissariat advances to be paid as soon as possible.

40.—In order that the Paymaster-general may be enabled as soon as possible to make the proper transfer in his books from the Naval and Ordnance grants, in repayment of such advances, to the credit of the account out of which the bills of the commissaries upon this Board have been paid, it will be proper that he should be authorised by the Lords of the Admiralty, and the Board of Ordnance, to make such transfers as soon as they are satisfied that the monies have been actually advanced to their officers abroad; and further, that he should thereafter be furnished with statements, both by the Admiralty and Ordnance, showing the precise heads of expense as voted by Parliament, to which such advances have been applied in detail; and he will take care immediately to call the attention of this Board to the fact, if it shall at any time appear that the amounts so directed to be charged on the Naval or Ordnance grants, in repayment of such advances, shall, together with the payments he may himself have made in this country, occasion any exceeding upon any of the Votes of Parliament.

Excess of Navy and Ordnance Votes by transfers to be reported to Treasury.

Ditto Army.

41.—In like manner he will report to this Board if any directions given to him by the Secretary at War to make charges on the army grant, in repayment of advances for military services abroad, shall occasion any exceeding on amount of those grants as voted by Parliament.

Non-effective payments.

42.—In the case of the non-effective charges for the three services, My Lords are of opinion, that the same course should be taken as in that of the grants for effective services; and that as soon as such grants shall have been made by the House of Commons, the amount thereof should be set forth in warrants to be issued by this Board, authorising the Paymaster-general to pay such sums as shall be ordered by the Secretary-at-War, the Lords of the Admiralty, the Master-general and Board of Ordnance, and the Commissioners of Chelsea Hospital, for such services within the limits of the several grants. But my Lords do not think that the order for making such payments to individuals should be given in every individual case, as is now the practice in the Naval Department.

Special orders for payment of Naval half-pay to cease.

Army practice to be adopted by Navy and Ordnance.

43.—My Lords are of opinion, on the other hand, that the practice now followed with respect to the non-effective charges of the army is more simple, and should be adopted with respect to all Naval and Ordnance non-effective services.

Lists of half-pay and pensions to be prepared by the Admiralty and Ordnance, not renewable every year.

44.—For this purpose, therefore, the best course will be, that in the departments of the Navy and Ordnance, lists should be prepared and delivered to the Pay-office, signed by the proper authorities in each department, showing the names, rates, whether daily, quarterly or annual, and all other particulars affecting the case of every individual to whom an allowance of half-pay, pension or other gratuity, in whatever form, has been granted, and that the Paymaster-general should, when those lists are once deposited with him, pay the several parties from time to time, as the several allowances become due, without any further or other authority from the Admiralty or Ordnance.

Original lists to be copied by Paymaster-general, and transmitted to Audit Board with his accounts.

45.—These lists will accompany his accounts to the Commissioners of Audit, and will be the authority to that Board to admit the several payments when supported by the receipts of the parties, copies of the lists being first taken by the Paymaster-general to remain for his future guidance in his own office.

All additions or removals to be reported,

46.—All grants of non-effective allowances made hereafter, and all changes from full to half-pay, or from half to full pay, and all removals from the lists for any other cause, must be certified by the proper departments to the Paymaster-general, who will thereupon correct the copy of the lists in his possession, and from time to time transmit such orders as his authority to the Commissioners of Audit, by whom the proper entries will be made in the original lists.

Lists to be renewed every second or third year.

47.—It will, therefore, under this regulation, be unnecessary to make annual or quarterly copies of these lists, either in the War-office, Admiralty or Ordnance, and that labour will be for the future avoided; My Lords, being of opinion, that it will be sufficient for the public service if the lists are renewed and transmitted to the Pay-office at the termination of every second or third year, as may be necessary.

Deaths to be reported.

48.—On the other hand, all deaths certified to the Paymaster-general must be reported before the close of the year to the Secretary-at-War, the Lords of the Admiralty, and the Master-general and Board of Ordnance, as the case may be, and their authority received for striking the names off the list, that authority being likewise transmitted to the Commissioners of Audit. This arrangement would leave those departments, as they should be, judges of all the circumstances prior to the grant of the half-pay or pension, and would devolve upon the Paymaster-general, with respect to the Naval and Ordnance non-effective services, the same duty which the Army Pay-office now performs in the case of the army non-effective payments,

Identity of party and correctness of sum claimed to be ascertained by the Paymaster-general.

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ments, that of ascertaining that the applicant is the party entitled to the payment, and that the amount which he claims is in conformity with the order for payment.

Existing regulations respecting remittances to continue in force.

49.—The whole of the existing regulations by which such payments are made in the case of the Army and Navy services by means of remittance bills upon the collectors of the revenue, and upon the Pay-office clerks at the ports, and by means of bills of exchange, which the parties are authorised, upon their application to that effect, to draw for the amount of their allowances, will continue in force, and will be extended to the Ordnance department, so as to give the same facilities to all the three branches of the service.

Remittance Bills to be prepared by the Paymaster-general.

The remittance bills must, however, in future be all prepared by the Paymaster-general, be transmitted by him to the parties to whom, and to the officers by whom, payment is to be made, and must be returned to him by the revenue departments, and by the pay clerks at the yards, as his vouchers with the Commissioners of Audit.

All bills of exchange for non-effective charges to be drawn on him.

In like manner all bills of exchange for this description of service must be drawn upon him, and be accepted, payable at the Bank of England, lists of all such acceptances being furnished to the Bank for the guidance of that establishment in making the payment.

Naval practice of permanent remittance bills to be extended.

50.—The practice which for some years has been in force in the Naval department, of making these payments in the country by means of permanent remittance bills, and which has lately been introduced into the Army Pay-office, has been found to diminish labour to a great extent, while the security of the public and of the individuals has certainly not been decreased thereby; and My Lords are, therefore, of opinion, that that practice should be extended as much as possible.

List of existing permanant remittance bills to be furnished by Accountant-general.

In order to enable the Paymaster-general to check the claims which will be made on him for repayment of advances made on the existing permanent remittance bills issued by the Admiralty, it will be necessary that a list of all such bills should be furnished to him by the Accountant-general of the Navy.

Revenue claims for non-effective payments to be settled every fortnight.

51.—With a view also to the rapid settlement of the accounts of such payments, My Lords are of opinion, that the Revenue Boards should be directed to instruct all their collectors to transmit to them their claims for advances made on account of half-pay and other non-effective charges, once in every fortnight, accompanied by the vouchers in support thereof, distinguishing the payments made for Army, Navy, and Ordnance, in order that they may apply at the end of every fortnight to the Paymaster-general for repayment of all such advances.

Non-effective charges paid by pay clerks at the ports.

In like manner, the Paymaster-general must himself instruct the pay clerks at the ports to transmit to him once a fortnight an account, supported by the receipts of the parties, of the payments made by them for non-effective naval services, and he will certify to the Lords of the Admiralty the amount which appears by such accounts to have been so applied out of the imprest for naval services, in order that he may receive the directions of that Board as to the period when such amounts should be replaced to the accounts of the pay clerks from the grant for non-effective navy services.

Replacing amount paid for non-effective services.

Non-effective charges paid by Commissaries abroad, to be furnished to the Paymaster-general by the Audit Board.

52.—In the case of such payments as are made in detail to individual parties from the military chests abroad for non-effective Navy and Ordnance services, it will be proper that in future the Commissioners of Audit should transmit to the Paymaster-general detailed abstracts of the accounts of such payments, together with the vouchers taken by the commissaries, in order, if the payments have been properly made by the commissaries, that he may transfer the amounts in his books to the debit of the proper grant of Parliament, and credit the account out of which the payments have been made in the colonies.

Mode of paying Chelsea out-pensions not to be disturbed.

53.—My Lords are not prepared at the present moment to direct that any alteration should be made with respect to the payment of the Chelsea out-pensions, which are effected under the direction of a separate office constituted for that sole purpose.

Greenwich out-pensions.

The Greenwich out-pensions being paid, however, by one of the cashiers of the Navy Pay-office, as a part of the duty of the Treasurer of the Navy, it is necessary that some alteration should be made with respect to those pensions, in order to place the future arrangements under which such payments will be accounted for upon the same footing as all other disbursements which will be made by the Paymaster-general.

Payment of Greenwich out-pensions.

54.—My Lords are of opinion, that the payments which are now made in London should be effected in the same manner as at present, upon lists framed upon the orders issued from time to time by the Lords of the Admiralty, by whom the pensions are granted; and that the remittance bills transmitted to those pensioners who reside in the country should be likewise prepared and forwarded to those individuals under the regulations now existing, such payments in London being made in the presence of the check clerks, whose certificate as to the fact of the payment will be admitted by the auditors as the Paymaster-general's voucher. The remittance bills will in like manner be signed by one of the check clerks.

Check clerks to be transferred to the Audit-office.

But those check clerks, instead of forming a branch of the Admiralty, will for the future be under the authority and direction of the Commissioners of Audit. The remittance bills paid by the revenue collectors must be returned to their respective Boards once in every fortnight, in the same manner as all other remittance bills for non-effective services; and the claim made by the revenue department must, with respect to these bills, be examined by the party who has issued the bills, and by one of the check clerks. On their joint certificate the Paymaster-general will transfer the amount from his account at the Bank to the account of the Receiver-general of the Revenue, instead of placing the money, as at present, to the separate account of the cashier of out-pensions, to be by him paid to the Receiver-general.

The question of consolidating Chelsea and Greenwich out-pensions to be hereafter considered.

55.—It does not appear necessary at the present moment to issue any further directions with respect to the Greenwich out-pension payments; but my Lords will hereafter have the whole subject of the regulations under which these pensions and those for the out-pensioners of Chelsea are paid under their consideration, for the purpose of ascertaining whether the two separate offices may not be consolidated, and a more simple arrangement made for the payment of both; and with a view to that object, they are of opinion that the establishment

Greenwich out-pensions to be a separate branch in the new office.

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for paying the Greenwich out-pensioners should be considered as a separate and distinct branch of the Paymaster-general's Office.

56.—By the regulations issued under the authority of the Exchequer Regulation Act, monthly estimates are now furnished to my Lords of the sums which will probably be demanded in the course of the month for Army, Navy, and Ordnance services. Those monthly estimates will still be delivered, prepared in the same detail as at present; but they should be furnished by the Paymaster-general for the Navy and Ordnance as well as for the Army, and be prepared by him on information supplied to him by the other departments. My Lords propose this course, because it seems to them to be proper that the Paymaster-general should have in his own office the means of knowing at any period what will be the probable amount of his demands upon this Board.

Monthly estimate of Exchequer credits to be sent by the Paymaster-general.

57.—In like manner it appears to be proper, that the grant of credits upon the Exchequer out of the monies voted by Parliament, should take place upon a certificate from the Paymaster-general that such credit is required, it being at the same time stated on the face of the certificate what sum is still unexpended at the Exchequer account in the Bank, on account of the last credit granted for such service.

Exchequer credits to be granted on a certificate from the Paymaster-general.

58.—The weekly accounts now delivered to this Board, showing the monies received on repayments and other voluntary charges, payments made from the cash account, and balances remaining at the close of the week, will be furnished in the same manner as at present.

Weekly accounts now furnished to the Treasury to be continued.

59.—The monies which are received upon the voluntary account of the existing pay offices of the Army, Navy and Ordnance are of considerable amount in the aggregate in the course of the year, are very numerous, and many of them are for very small sums. Under the system about to be adopted, all the larger payments, which are for repayments at home on account of advances abroad, will be discontinued, and such advances will be settled as matter of account in the books of the Paymaster-general, and of the Bank, by transfer from one account to the credit of another; but there will remain a very considerable number of cash payments to be made by parties to the Paymaster-general on account of each of the three services. No such payments are ever made by the parties from whom the money is due, except upon an order issued to them to that effect. In order to consult the convenience of all such parties, and at the same time to ensure that no confusion takes place in carrying such payments to the proper accounts in the books of the Paymaster-general, it appears to my Lords that parties having payments to make should apply at the Pay-office, and receive an authority from the accountant of that office to make the payment to the Bank cashier sitting there, who will receive the money on account of the Bank of England, by whom it will be placed to the credit of the Paymaster-general. The person paying the money must produce at the Pay-office the direction received by him to make such payment, so that it may be there examined, that the sum he proposes to pay is that which is due. The Bank of England will be furnished from day to day by the Paymaster-general with a statement of all sums paid at the Pay-office to the Bank cashier attending at that office.

Extra receipts through the cash accounts.

Transfers.

60.—The Secretary-at-War, the Lords of the Admiralty, and the Board of Ordnance, will have to furnish lists to the Paymaster-general from time to time of the sums so directed to be paid to him, specifying the particular heads of account to which such payments are to be carried; and the Paymaster-general, on the other hand, must furnish weekly, on the first day of each week, an account to each department of the several sums received from parties at his office, and carried to his account at the Bank.

Lists to the Paymaster-general authorizing the receipt of money to be continued.

Paymaster-general to furnish a weekly account of sums received to each department.

61.—It is provided by the regulations now in force, that the cash accounts of the several paymasters shall be always exhausted before any drafts are made on the Exchequer credit accounts; and in order to ensure that this shall at no time be lost sight of, my Lords think it will be expedient now to provide that the Paymaster for effective services shall alone draw upon the cash account, and that the sums necessary to answer his drafts beyond the amount of that account shall be transferred thereto from time to time as they are absolutely required to be issued for the public service, upon accounts to be prepared by the accountant, by means of orders issued by the Paymaster-general or Assistant Paymaster-general. It will, of course, be necessary that accounts shall be separately kept in the books of the Bank and in those of the Pay-office for Army, Navy and Ordnance services, and that there should be distinctly marked, on the bills accepted, or drafts drawn, the particular account on which they are to be paid by the Bank.

Paymaster for effective services alone to draw on cash account.

Bills and drafts to be marked chargeable to different accounts at the Bank.

62.—The same course will be taken with respect to the payments for non-effective services, with this difference, however, that checks drawn and bills accepted for such services will only be payable out of the Exchequer credit granted to defray them.

Bills, &c., for non-effective services payable out of Exchequer credits.

63.—In order to afford to the Admiralty on the one hand, and to the Ordnance on the other, the fullest information as to the payments which have been made for those services, so as to enable them to prepare the accounts of expenditure which are required to be kept by the Accountant-general of the Navy, and the Clerk of the Ordnance, the Paymaster-general must transmit to each of those departments, on the first day of every week, an abstract, showing the total amount of the several payments which have been made in the preceding week, under the separate heads of service into which his accounts for Naval and Ordnance services are divided. And in addition to these regular weekly returns, he will, of course, afford all such further information as shall be required by either department. If it shall appear hereafter to be indispensable that daily accounts of payments made for naval services should be rendered to the Admiralty, my Lords will direct such accounts to be transmitted to that Board, but they entertain the hope that the weekly accounts now ordered will be found sufficient for the purpose for which the information is required.

Weekly accounts of payments by the Paymaster-general to be sent to the Admiralty.

If daily accounts are indispensable to be furnished.

64.—No payment whatever is now made by the Army Pay-office, be the amount ever so small, except by means of a cheque on the Bank of England. In the Navy and Ordnance Pay-offices, on

Payments in office, cash and by cheque on the Bank.

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on the other hand, the cashiers draw from the Bank sums of money in cash from time to time, and such monies being deposited in chests under lock, are applied by the cashiers in making payments, except for the larger sums, in cash, to those individuals who may be desirous of being paid in that manner rather than by a cheque upon the Bank. The system of making payments in this manner exists in both those departments, but in a greater degree in the Navy Pay-office. In the Ordnance it is principally confined to the payment of salaries, half-pay, pensions, and other non-effective charges. In the Navy Pay-office, where payments are made in cash for any other service than salaries, wages, or non-effective charges, the amount is generally limited to sums not exceeding 25 *l.* It is no doubt true, that in some classes of payments the individuals receiving the money would be exposed to great inconvenience if paid by cheque upon the Bank, and in some to the danger of fraud. The cases to which my Lords particularly allude are those of seamen receiving wages or prize, the relations of seamen receiving, on allotment tickets, portions of the wages of the men, and those widows and others to whom the sum paid is of very trifling amount; and to meet these cases it appeared to be expedient that some provision should be made under which the parties might be paid at once, in cash, at the Pay-office, the sum due to each.

A Bank cashier to attend at Pay-office.

65.—My Lords, objecting to the system heretofore in force in this respect, under which several different parties have each had sums of money under their own separate locks deposited in the office; and considering that a better and safer course would be, that an arrangement should be made with the Bank of England for the daily attendance of a clerk from that establishment, to be authorised by the Bank to meet such payments in cash as may be ordered by the proper officer of the Paymaster-general, and to receive payments tendered at the Pay-office by parties having to make such payments, have made an arrangement to that effect with the Governor and Company of the Bank of England. A cashier will therefore attend daily at the Pay-office on and after the day on which the consolidation shall take place; and the Paymaster-general will instruct the paymasters of effective and non-effective services to make all payments for or on account of ships' wages, and all payments for or on account of the pensions and allowances of the widows and children of petty officers and seamen, or on account of prize to soldiers or seamen, or their legal representatives, by means of orders on the Bank cashier sitting in his office. All other payments must be made by cheque on the Bank of England, unless upon further authority from this Board.

Description of payments to be made in office cash.

Chelsea Hospital payments and Naval prize.

66.—It remains for my Lords to prescribe in what manner they think the arrangements should be carried on in future with respect to the payments made by direction of the Commissioners of Chelsea Hospital, and for naval prize.

Naval prize.

67.—Under the existing arrangement as to naval prize, all claims on that account are submitted to the Lords of the Admiralty; a separate account of prize funds is kept by the Treasurer of the Navy, and payments are made by him out of that fund upon the order of the Lords of the Admiralty, signed by one Lord and the Accountant-general of the Navy. My Lords are of opinion that no better course can be taken in this matter.

Chelsea payments.

68.—In the case of Chelsea payments, however, my Lords think the following course should be adopted; viz., that no payment should be made at Chelsea except the weekly payments in small sums to the in-pensioners, wages to nurses and other attendants; that to make such payments, an imprest upon account should be made from time to time by the Paymaster-general to the Agent for Chelsea out-pensioners, upon an order to be issued for that purpose by the Commissioners of the Hospital, and that all other payments, whether for the salaries of the establishment, or the supplies furnished by contractors and others, should be made at the Pay-office by means of cheques upon the Bank of England, certified statements of the sums due to the different parties being transmitted periodically from the Commissioners of the Hospital to the Paymaster-general.

Army prize.

69.—The claims of parties to military prize should be examined, my Lords conceive, by the Commissioners of the Hospital, under the existing regulations; and such claims being certified by them, or by some person appointed by them for the purpose, to the Paymaster-general, should be paid by him out of the prize fund at his account at the Bank of England, to which account such fund should be transferred as soon as the consolidation takes place.

Commencement of the new system.

70.—My Lords desire that the necessary communications may be made to the Lords of the Admiralty, Master-general and Board of Ordnance, Secretary-at-War, Paymaster-general, and Commissioners of Chelsea Hospital, and that they may be informed that my Lords propose that the consolidation shall take effect on and from the 1st of December next, whereby time will be afforded for making all the arrangements of detail which may be necessary in their respective offices.

71.—Transmit copies to the Paymaster-general, the Treasurer of the Navy, and the Treasurer of the Ordnance, and desire that they will respectively close their accounts on 30th November next, and transfer their balances to new accounts to be opened in the books of the Bank, to be styled, "The Account of His Majesty's Paymaster-general for Army Services,"—"The Account of His Majesty's Paymaster-general for Naval Services,"—"The Account of His Majesty's Paymaster-general for Ordnance Services,"—"The Account of His Majesty's Paymaster-general for Naval Prize."

72.—Transmit copy also to the Commissioners of Chelsea Hospital, and desire they will instruct the Treasurer of Chelsea Hospital to close his accounts on that day, and transfer the balance and stock to new accounts to be opened in the name of His Majesty's Paymaster-general.

73.—Acquaint the Governor and Deputy-Governor of the Bank with the directions given, so far as they relate to that establishment, and request that they will consider the accounts now ordered to be opened as public accounts within the operation of the Act 4 & 5 Will. 4, cap. 15.

74.—Transmit

74.—Transmit copy of this Minute to the Commissioners of Audit, for their information. Pay Office.

75.—Transmit copy also to the Vice-Treasurer for Ireland, and desire him to submit to my Lords what further directions should be given for carrying this arrangement into effect, as far as relates to his office. T. M., 19 Aug. 1836.

Treasury Minute of 19th November 1836, containing further Regulations for the Government of the Office of His Majesty's Paymaster-General.

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1.—My Lords advert to their Minute of 19th August last, in which they expressed their opinion that the consolidation of the Army, Navy, Ordnance, and Chelsea Pay Offices should take effect on 1st December next; and they now proceed to consider what further directions it is necessary for their Lordships to issue for carrying into full effect the arrangements for making that consolidation, and what establishment of clerks and messengers, and at what salaries, it will be proper to sanction for carrying on the duties of the Consolidated Office after that day.

2.—As it is their Lordships' intention that the power of drawing cheques upon the Bank of England to make such payments as may be ordered by this Board, the Lords of the Admiralty, the Secretary at War, the Master-general and Board of Ordnance, and the Commissioners of Chelsea Hospital, shall be confined to the paymasters of effective and non-effective services, and the cashier of Greenwich out-pensions, or to such persons as shall be specially appointed and deputed by the Paymaster-general to assist those paymasters, if occasion require, or to supply their places during temporary absence, from illness or otherwise; it appears to my Lords that, for the security of the public, and in order to ensure simplicity and avoid confusion in carrying such cheques to the proper accounts at the Bank, and to give effect to the principles laid down in that respect in the Minute of 19th August, there should be only three drawing accounts at the Bank; one to be styled the Effective Service Account; the second, the Non-effective Service Account; and the third, the Greenwich Out-Pension Account. That such accounts should be supplied from time to time with the funds absolutely required to enable the paymasters and cashiers to make their payments by means of "Writes off," or transfers, first from the general cash account, until that is exhausted, and then from the Exchequer credits, which will be placed by the Exchequer, upon the orders of this Board, from time to time at the disposal of the Paymaster-general for Army, Navy, and Ordnance Services, at the Bank of England. It further appears to my Lords that such "Writes off" or transfers should only be issued upon the certificate of the accountant of the office, that the money is required to enable the paymasters and cashiers to make their payments; that they should be signed by the Paymaster-general himself, or the person appointed by him for that purpose, to provide for the case of his own absence; and that the Bank of England should be required not to pay any cheques drawn or bills accepted out of any accounts whatever but the three drawing accounts. Three drawing accounts to be opened at the Bank.

3.—The Bills drawn upon this Board by Commissaries abroad, those drawn for naval services upon the Accountant-general of the Navy, and those drawn upon the Master-general and Board of Ordnance, all of which will be accepted, payable at the Bank, should be made payable out of the account raised for effective services. Those drawn upon the Paymaster-general should be accepted by an officer specially appointed for that purpose, and to be responsible that all such acceptances have been duly authorised. As these bills will be drawn, some for effective and some for non-effective services, they should be accepted, payable upon the particular account to which they are properly chargeable. Bills to be payable on effective and non-effective service accounts.

4.—My Lords are of opinion that no cheque whatever should be payable by the Bank of England, unless countersigned by some person properly authorised by the Paymaster-general, the names and signatures of such persons being previously communicated by the Paymaster-general to the Bank; and that no bill whatever, by whomsoever accepted, should be paid by the Bank, unless there shall have been previously delivered at that establishment a list of the particulars of all such acceptances, signed by the paymaster or cashier, drawing upon the account out of which such bills have been made payable. As the paymasters and cashiers will not themselves accept bills, they will satisfy themselves, before signing such lists, that they have been examined by the accountant of the office, and that he has ascertained that the bills have been accepted under competent authority. Cheques to be countersigned. Bill lists.

5.—These lists will therefore afford to the public the same security with respect to the bills as the counter-signature with respect to the cheques.

6.—All bills accepted payable at the Bank, prior to 1st December, and falling due after that day, and all such bills and cheques outstanding on that day, whether originally made payable out of any of the Exchequer Credits for Army or Ordnance, or out of the Cash Accounts for Army or Ordnance, the existing Account for Naval Services, the Naval Prize Account, the general Account of the Treasurer of Chelsea Hospital, the Poundage Account, the Unclaimed Prize Account, or out of any other account at present raised in the books of the Bank for the public service of any of the offices about to be abolished, should, my Lords are of opinion, be paid on and after 1st December out of the accounts to be on that day raised in the Bank, in the name of His Majesty's Paymaster-general for Non-effective Services, for Effective Services, and for Greenwich Hospital Out-Pensions, as the case may be; such information as is necessary being furnished to the Bank for that purpose; and the several payments charged thereafter to the proper heads of service in the books of the Paymaster-general. Outstanding bills and cheques payable out of effective and non-effective accounts.

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Port Accounts.

Monthly certificate.

7.—With respect to the pay clerks at the ports, it appears to my Lords that as all their payments for all effective services will continue to be made under the Lords of the Admiralty, either upon general regulation or specific direction, the accounts rendered by them for such payments, accompanied by the several vouchers in support thereof, should be rendered, as at present, to the Accountant-general of the Navy, by whom an abstract of such payments, duly certified by one of the Lords of the Admiralty, should be transmitted to the Paymaster-general immediately after the termination of each month, showing the several heads of service for which the payments have been made, and the amount paid; and that such abstract, when so certified, should, as in the case of the allotment tickets, upon which payments will take place at the office in London, be the vouchers upon which such payments should be admitted by the Commissioners of Audit to the credit of the Paymaster-general. The vouchers taken by the pay-clerks for payments made for non-effective services, will be transmitted direct to the Paymaster-general, and will, for those payments, be his vouchers with the auditors.

Non-effective vouchers.

Pensions, &c., payable at Deptford and Woolwich.

8.—It appears that arrangements cannot at present be made for paying at Woolwich and Deptford Dockyards, by means of the storekeepers at those yards, the pensions, and other non-effective charges now paid there by clerks despatched for that purpose from the Navy Pay-office. My Lords are therefore of opinion, that clerks must be despatched from the Paymaster-general's Office, at the periods at which the payments become due at Woolwich and Deptford, furnished with the necessary funds for paying to the several individuals the sum due to each respectively, in the same manner as clerks will be despatched for payment of ships' wages. My Lords are however very desirous that the Lords of the Admiralty should consider whether a more simple and more economical arrangement might not be made for the payment of all the non-effective charges and allotment tickets at Woolwich and Deptford, by means of some person under their authority resident at each yard. It appears to my Lords that such an arrangement would be more advantageous to the individuals, as well as to the public, because in the one case a resident officer would have better means of checking attempts of personation and other modes of fraud, than a clerk merely proceeding thither at intervals; and in the other, because it may happen that, from illness, absence, or other cause, parties may be unable to attend on the usual day of payment, in which case they will either be obliged to wait, probably at considerable personal inconvenience, until the next period of payment, or be forced to attend in the interval at the office in London.

Naval storekeepers, &c., to pay non-effective services.

9.—The payments of the non-effective charges at all other stations at home and abroad, where there are naval agents, will be made by those agents, and the amount so paid by them set off to the proper account, upon the necessary vouchers being transmitted by the Accountant-general to the Paymaster-general.

Arrears prior to 1 October 1836, payable on orders from the Admiralty.

10.—In order to avoid the difficulties which might otherwise take place with respect to the payment of the several non-effective naval charges incurred and due up to the termination of the last quarter, ended 30th September, my Lords are of opinion that all such payments should be made by the Paymaster-general, upon specific orders, to be issued in each case by the Lords of the Admiralty, under the regulations in force with respect to such payments at present, and that the regulations which are to commence and take effect on and after 1st December, should apply, so far as they relate to non-effective naval charges, to such charges only as will arise upon account of the quarter commencing on 1st October 1836, and coming in course of payment after 1st January 1837.

Payments through the Revenue Boards to be claimed from the Admiralty to 30 September 1836.

11.—It will be necessary therefore that all remittance bills issued by the Lords of the Admiralty for the payment of half-pay due previously to 1st October, should, when paid, be returned as heretofore by the Revenue Boards and pay clerks at the ports to the Accountant-general of the Navy for examination, in order that a direction may issue through that office for repaying the amount to the Revenue Department, or for charging the amount to the proper head of service in the books of the Paymaster-general. With respect to any bills of exchange for half-pay due previously to 1st October, and which may be outstanding unaccepted on 1st December, such bills, when accepted by the Accountant-general of the Navy, will be payable at the Bank of England upon the Paymaster-general's Account for Non-effective Services; a list in duplicate of such acceptances being furnished by the Accountant-general to the Paymaster-general; the original being retained by the latter, to accompany his accounts to the auditors; the duplicate being transmitted to the Bank, with an authority for the payment of the bills.

Advice lists of bills due to be sent to the Pay-office.

12.—It appears to my Lords that this mode of communicating to the Bank an authority for paying bills on the account of the Paymaster-general, viz., by lists of such bills, signed by one of his own officers, is preferable to that proposed by the Minute of 19th August. My Lords have already adverted to the nature of the additional security which they think will thereby be afforded to the public, and they are desirous that such duplicate lists should be therefore transmitted to the Pay-office by the Accountant-general, and also from the Ordnance, with respect to a class of bills which will still be accepted by that department, and to which my Lords will advert hereafter.

Non-effective D. D. claims to be examined at the Admiralty.

13.—In the case of claims for naval half-pay or pensions due to deceased parties, my Lords desire that no payment may be made by the Paymaster-general until such claims shall have been referred to and examined by the Accountant-general of the Navy.

Payments at the Tower.

14.—It appears upon communication with the Master-general and Board of Ordnance, that although there will be no objection to payment of all small disbursements, which ought to be immediately discharged at the Tower by means of an imprest to be made to some person upon their establishment, yet that the weekly payments of wages, &c., cannot be so made at present, there being no person in the department at the Tower who could properly be made a pecuniary accountant for that purpose. My Lords will therefore instruct the Paymaster-general,

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general, until a better arrangement can be made for the purpose, to despatch a clerk once a week to the Tower, on the usual day for making such payments (Friday), charged with funds for that purpose, and will request the Master-general and Board to give orders that the Paymaster-general may be furnished on the previous day, or on the morning of Friday, with a list of the payments to be made to the several parties.

Bills of Exchange upon the Board of Ordnance.

15.—The only bills which, under the new arrangement, will be drawn on the Master-general and Board, will be by officers on the march in Great Britain, for bread, meat, and forage for the troops. The accounts for the amounts to be so drawn will be rendered to the Surveyor-general, and the Paymaster-general will have no means, without reference to the Ordnance, which would occasion delay and inconvenience, of knowing whether the bills should be accepted or not. My Lords think that these bills, like those drawn upon the Accountant-general of the Navy, should be accepted, payable out of the Effective Service Account of the Paymaster-general at the Bank of England, and that, as in the case of the Navy, duplicate lists of such acceptances, and the orders of the Board of Ordnance, authorising the acceptances, should be transmitted to the Paymaster-general; the order of the Board, and the original list to accompany his accounts to the auditors; the duplicate to be forwarded to the Bank to sanction the payment of the bills.

Ordnance payments for other departments.

16.—There is one class of services conducted by the Board of Ordnance for which it appears to be doubtful that sufficient provision has been made in the Minute of 19th August last; that Board is frequently employed, because the service is performed more economically and in a manner advantageous to the public service, in procuring supplies of various kinds for other departments of the Government, and for service in the colonies. Payments for such supplies are made in the first instance out of monies at the disposal of the Ordnance, and when repayment is subsequently made, the amount is carried to the credit of the proper account. As it is necessary, for the advantage of the public service, that this system should continue in force, and that the Ordnance be employed for this purpose, my Lords desire that the Paymaster-general will continue to act upon the existing regulations in that respect, taking care, as at present, to charge the payments and repayments to the proper accounts in his books.

Repayments.

Bank clerks.

17.—Adverting to the arrangement under which the Bank of England will depute clerks to attend at the Pay-office for the purpose of receiving all monies payable to the Paymaster-general, and of paying in cash certain classes of service in which such payments could not be advantageously made by means of cheques payable at the Bank, and to the recommendation of the Lords of the Admiralty that such payments should not be strictly confined to the classes named in the Minute of 19th August last, but that a discretion should be granted in that respect to the Paymaster-general in the same manner as such discretion has heretofore been exercised by the Treasurer of the Navy, my Lords, desirous of affording to all parties attending at the Pay-office to receive monies due to them by the public, whether for effective or non-effective services, every facility to receive such monies which may be consistent with the proper discharge of the duties of that office, and particularly in cases in which from age or infirmity it would be inconvenient for the parties to proceed to the Bank to be paid, are pleased, in accordance with the recommendation of the Lords of the Admiralty in that respect, to authorise the Paymaster-general to extend the payments by the Bank clerks at his office beyond the several classes and services to which such payments were confined by the Minute of 19th August, to such other cases as in his judgment it may be proper to extend such facility, due care being at the same time taken that no undue or unnecessary extension of that mode of payment be permitted. The payments should be made upon orders issued to the Bank clerks in each case, such orders being exchanged at the close of the hours of business each day, for cheques to be drawn for the amount so paid during the course of the day by the paymasters of non-effective and of effective services, each to the extent of the sum paid on their respective accounts.

Paymaster-general may extend payments in cash.

Bank clerks to receive monies on cash account.

18.—With respect to the payments which the Bank clerks will receive for the Paymaster-general, it will be necessary that an account of the amount of all such sums so paid to them, and for which the Bank will be responsible, should be transmitted from the Pay-office to the Governor and Company of the Bank immediately after the close of business every day.

Accounts to be balanced daily.

19.—The books of the office must be closed as soon as the payments of the day are over, and the accounts of payments and receipts carefully examined and balanced by the respective paymasters and the Accountant-general, as the business of the day is not to be considered as terminated until the whole of the accounts of receipts and payments are carefully and accurately balanced and settled.

Pass books to be examined daily.

20.—The books of the drawing accounts should be procured from the Bank as early as possible every morning, and the account of receipts and payments entered therein should be forthwith compared and examined with the transactions of the previous day, as exhibited in the books of the office.

Balances of Royal orders and Exchequer credits.

21.—As the Royal Orders which have been issued for the grant of credits for Army, Navy, and Ordnance Services, to the Paymaster of the Forces, Treasurer of the Navy, and Treasurer of the Ordnance, will not have been exhausted by the grant of credits to the full amount thereof, my Lords are of opinion that the Comptroller-general of the Exchequer should, upon orders from time to time from this Board, continue to grant credits upon such Royal Orders, until they are exhausted, such credits being granted in the name of His Majesty's Paymaster-general, and that the Bank should place at the disposal of His Majesty's Paymaster-general the balance of all credits already granted upon such Royal Orders, in the same manner as if they had been originally granted to him.

Letters to be sent free of postage.

22.—In order to enable the Paymaster-general to communicate with his officers at the ports and at Dublin, and with the several individuals throughout the empire entitled to receive payments

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ments and allowances from his office, it will be necessary that, in addition to his own privilege of sending and receiving letters free of postage, he should be empowered to name three persons upon his establishment to frank all such letters as it shall be necessary to despatch by the post upon the official business of his department; such correspondence to be confined exclusively to such official business. My Lords therefore desire that the necessary directions may be issued to the Postmaster-general, authorising and instructing him, under the powers, privileges, and authority vested in the Paymaster-general, and in this Board, by the Act 5 & 6 Will. 4, c. 35, to permit all letters to pass free of postage which shall be addressed to His Majesty's Paymaster-general, or to the individual holding that office; and in like manner to permit all letters to pass free of postage which shall be franked in the usual manner by the person holding the office, and also all letters franked on the official business of the office by the signature of any of the three persons upon the Pay-office establishment, who will be named to him by the Paymaster-general for that purpose; provided that in the case of these last-mentioned letters the outer covers have written upon them the words "Office of His Majesty's Paymaster-general," and "On His Majesty's Service."

23.—Write to the Lords of the Admiralty, the Master-general, and Board of Ordnance, the Comptroller-general of the Exchequer, and the Governor and Deputy Governor of the Bank of England, respectively, communicating to each the several directions and regulations of this Minute, so far as such directions and regulations severally apply to them.

Existing establishments.

24.—My Lords, in considering what establishment will be necessary for carrying on the various duties to be performed in this department at Whitehall, in the Greenwich Hospital Out-Pension Office, at the ports of Sheerness, Chatham, Portsmouth, and Devonport, and at Dublin, have before them the existing establishment now engaged in the discharge of those duties.

Navy Pay-office.

25.—The establishment of the Navy Pay Office, including that for the ports, and for the Greenwich Out-Pension Office, consists of—

47 Officers and Clerks, and 21 inferior persons, as Housekeeper, Messengers, &c.

The actual annual charge for this establishment is 16,552 *l.* The charge at its minimum would be 13,980 *l.*, and at its maximum 22,910 *l.*

Army Pay-office.

26.—In the Army Pay-office there are employed—

44 Officers and Clerks, and 6 inferior persons.

The actual charge being 15,803 *l.*; the minimum 13,613 *l.*, and the maximum 16,663 *l.*

Ordnance Pay-office.

27.—In the Ordnance Pay-office, including therein the establishment at Dublin, there are—

11 Officers and Clerks, and 2 Messengers.

The actual charge is 4,123 *l.*; the minimum 3,255 *l.*, and the maximum 4,385 *l.*

Treasurer of Chelsea Hospital.

28.—The establishment of the office of Treasurer of Chelsea Hospital consists of—

9 Officers and Clerks, and 1 Messenger.

The charge for this office is 2,274 *l.* per annum; but by an arrangement already made for transferring, under the directions of the Minute of 19 August, the examination of all questions relating to army prize from the office of Treasurer of Chelsea Hospital to that of the Secretary, and by the consequent increase of that office, which has been made by transfer from the office of Treasurer, the numbers after this transfer are reduced to six, and the annual charge to 1,886 *l.*

Half-pay and pension branch, Admiralty.

29.—In addition to these numbers, a diminution of four clerks will take place in the establishment of the Accountant-general of the Navy, in consequence of the transfer from that office to the office of Paymaster-general of certain duties now performed in the former relating to the half-pay and pensions.

30.—The actual annual charge for these four persons is 912 *l.*; the minimum charge is 772 *l.*, and the maximum 1,382 *l.*

31.—The total number of persons who are now engaged, therefore, in the discharge of the duties which will hereafter be performed under the superintendence of the Paymaster-general is—

112 Officers and Clerks, and 30 inferior persons.

32.—The actual annual charge of these establishments is 44,476 *l.*, including therein the salaries of the Paymaster of the Forces, the Treasurer of the Navy, and the Treasurer of the Ordnance. The charge, at its minimum, would be 38,706 *l.*, and at its maximum 52,426 *l.*

Future establishment.

33.—After the fullest and most mature consideration which my Lords have been able to give to the subject, they are of opinion that the whole of those duties may, for the future, be correctly and properly discharged by an establishment consisting of—

93 Officers and Clerks, and 19 Messengers, &c.

34.—Such establishment to be distributed as follows:

Whitehall.

At WHITEHALL:

62 Officers and Clerks, 1 Housekeeper, and 7 Messengers.

At

Pay-office.

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At the Ports of Sheerness, Chatham, Portsmouth, and Devonport:—

12 Clerks and 1 Assistant Clerk, and 7 Messengers.

Ports: Dublin.

At Dublin:

3 Clerks, and 1 Messenger.

35.—In the Greenwich Out-pension Office, which my Lords propose on the ground stated in the Minute of 19 August, as a separate branch of the office,— Greenwich out-pension branch.

15 Officers and Clerks, and 3 Messengers.

36.—The total number to be employed being therefore—

93 Officers and Clerks, and 19 inferior persons.

37.—The reduction, as compared with the existing establishments, will be—

19 Officers and Clerks, and 11 inferior persons.

38.—My Lords are of opinion, that this establishment, exclusive of the Greenwich Out-pension Office, should be divided, for the discharge of the duties, into the following classes; viz.: Whitehall branch.

1 Assistant Paymaster-general.
1 Accountant-general.
1 Assistant Accountant.
1 Paymaster of Non-effective Services.
1 Paymaster of Effective Services.
8 Principal Clerks.
17 Senior Clerks, the Chief Clerks making payments at the ports being selected from this class.
22 Assistant Clerks.
25 Junior Clerks.

39.—And that such classes should be again distributed into branches, for the discharge of the duties, in such manner as shall from time to time appear to the Paymaster-general the best calculated to ensure the prompt and correct execution of those duties. Separate divisions.

40.—In considering what rates of salaries should be assigned to the different individuals to be employed upon this establishment, my Lords have reference, not to the existing establishments, in which, in addition to other officers having salaries from 600 *l.* to 1,200 *l.* per annum, there are eight cashiers or paymasters, having salaries from 600 *l.* to 1,000 *l.* per annum, but solely to what in their judgment is really necessary to secure for the public the services of persons properly qualified to discharge the duties and incur the pecuniary responsibilities of such an office, affording to them, on the one hand, a fair remuneration for their labour, and for the trusts they undertake, and on the other, taking care that no charge is imposed upon the public unnecessarily. Existing salaries.

41.—Upon a full view of all these circumstances, my Lords think that the following salaries should be fixed for this office:— Future salaries, Whitehall.

Assistant Paymaster-general, 1,000 *l.* per annum, to be increased to 1,100 *l.* after five years' service as such.

Accountant-general, 800 *l.* per annum, to be increased 10 *l.* per annum to 950 *l.*

Assistant Accountant, 750 *l.* per annum, to be increased 10 *l.* per annum to 850 *l.*

Paymaster of Non-effective Services, 750 *l.* per annum, to be increased 10 *l.* per annum to 850 *l.*

Paymaster of Effective Services, 600 *l.* per annum, to be increased 10 *l.* per annum to 700 *l.*

Principal Clerks, 450 *l.* per annum, to be increased 10 *l.* per annum to 550 *l.*

Senior Clerks, 350 *l.* per annum, to be increased 10 *l.* per annum to 450 *l.*

Assistant Clerks, 200 *l.* per annum, to be increased 10 *l.* per annum to 350 *l.*

Junior Clerks, 80 *l.* per annum, to be increased 10 *l.* per annum to 180 *l.*

The Assistant Clerk at Sheerness, the same salary as at present, 150 *l.* per annum.

The Housekeeper, 100 *l.* per annum, with an allowance of 26 *l.* per annum to be paid to two housemaids, and also board wages at the rate of 12 *s.* per week, for the two housemaids, and for five charwomen; such allowances not to be a source of profit to the housekeeper, but to be paid to the persons employed.

To the Head Messenger and Office-keeper, 100 *l.* per annum.
3 Messengers, each at 90 *l.* per annum.
9 - - ditto - - 85 *l.*
1 - - ditto - - 80 *l.*
1 - - ditto - - 50 *l.*

 42.—With

Pay-office.

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Greenwich out-pension branch.

42.—With respect to the Greenwich Hospital Out-pension Office, my Lords are of opinion that the following should be the scale of salaries:—

Cashier, 500 *l.*, increasing 10 *l.* a year to 650 *l.*
7 Assistant Clerks, 200 *l.* per annum, increasing 10 *l.* per annum to 350 *l.*
7 Junior Clerks, 80 *l.* per annum, increasing 10 *l.* per annum to 180 *l.*
1 Messenger, at 90 *l.* per annum.
2 Messengers, at 80 *l.* per annum.

Total charge of new establishment.

43.—The charge upon the public for this establishment, including therein the salary of the Paymaster-general of 2,400 *l.* per annum, and the allowance to the Bank of England to defray the expense which will be incurred by that establishment in the employment of two cashiers at the office in Whitehall, viz., 700 *l.* per annum, will be at its minimum 27,409 *l.*, and at its maximum 38,159 *l.*

Prospective saving.

44.—The minimum of the establishment now existing, being, as already stated, 38,706 *l.*, and the maximum 52,426 *l.*, the eventual reduction of expense arising from the arrangements for consolidating these offices, will be 11,297 *l.* in the one case, and 14,267 *l.* in the other.

Immediate saving.

45.—The charge as it actually exists at present, as already stated, is 44,476 *l.*; that on 1st December next will be 33,539 *l.*; the immediate reduction, subject to the grant of superannuation allowances, is 10,937 *l.*

Establishment to be revised in 12 months.

46.—My Lords desire it, however, to be understood, that in fixing the establishment of this office at the numbers and salaries here stated, it is their intention that the whole should be subject to revision after the expiration of 12 months, being of opinion that in the meantime experience will have been gained in the discharge of the duties of the office, so far as to enable them to decide whether any further reductions can be effected without detriment to the public service.

Clerks to be on probation for 12 months.

47.—My Lords further desire it to be understood, that no appointment to be hereafter made by their Lordships to the junior class of this office, shall be confirmed until after a period of probation of 12 months, and a report to their Lordships by the Paymaster-general, that the person appointed on probation deserves to be confirmed in the situation.

Promotion to depend on good conduct and diligence.

48.—It is likewise their Lordships' intention that promotion shall not be made by succession from one class to another, except upon testimonials of good conduct and diligence from the heads of the several branches in which the individual next in succession shall have served in the office.

Certain offices to be filled up by selection in or out of the office.

49.—To the offices of Paymaster of Effective Services, of Paymaster of Non-effective Services, of Assistant Accountant, of Accountant-general, and of Assistant Paymaster-general, my Lords reserve to themselves the right of appointing by selection, and with respect to the three last-named officers by selection in or out of the office, as they shall think most for the advantage of the public service.

Hours of attendance.

Extra attendance.

Attendance book.

50.—My Lords desire that the hours of business shall be from 10 o'clock in the forenoon until 4 o'clock in the afternoon, unless a longer attendance shall be at any time required for the public service, in which case the Paymaster-general will of course take care that such additional attendance is given; and in order to ensure a due and regular attendance on the part of every individual employed, and to afford to this Board hereafter an additional test of the regularity and diligence with which the several individuals have attended to the discharge of their official duties during the course of their employment, when their cases shall be brought forward for superannuation, my Lords desire that an attendance-book shall be kept, in which each gentleman shall inscribe his name as he arrives at the office, and the time of his arrival, such book to be closed and delivered to the Assistant Paymaster-general at 12 o'clock each day.

51.—Let the necessary warrants be prepared and submitted for His Majesty's Royal Signature, directing the abolition of these existing offices, and the constitution of the office of His Majesty's Paymaster-general from and after 30th November instant, and for appointing the Right Honourable Sir Henry Parnell, Bart., to be His Majesty's Paymaster-general.

52.—Transmit copy of this Minute to the Paymaster-general for his information and guidance, and let him be directed to furnish the accounts required for the Admiralty and Ordnance, in the manner pointed out by those Boards.

53.—Transmit also copy of this Minute to the Commissioners of Audit for their information and guidance, so far as the directions thereof relate to their department.

Treasury Minute, dated 27 March 1838, regulating the Paymaster-General's Drawing Accounts at the Bank.

My Lords read the letter from the Paymaster-General, dated 2d February,* referring to that which had been previously addressed by him to this Board, on the 18th November 1837, on the subject of the regulations in force for the government of his office, so far as relates to the accounts opened at the Bank of England.

Reference to Paymaster-General's letter, dated the 18 Nov. 1837.

In addition to the Greenwich Out-pension Account, there are now two other drawing accounts, that of the Paymaster of Effective and that of the Paymaster of Non-effective Services; and it is recommended by the Paymaster-General that these two accounts should be consolidated into one, with a view to render the business of the Paymaster's branch of his office more equal and steady, while it would, at the same time, afford a better security to the public, and effect a reduction in the number of persons employed.

The three drawing accounts to be consolidated.

He suggests at the same time that the third account should be only a bill account, on which no drafts should be drawn, but on which should be paid all bills accepted for Army, Navy, and Ordnance Services.

The third account to be only a bill account.

My Lords having by their Minute of this day sanctioned the various reductions and alterations of the Establishment suggested by Sir H. Parnell, some of which have arisen out of the change and simplification here recommended, their Lordships are pleased to give their sanction to this alteration of the regulations adopted upon the consolidation of the several offices in December 1836, and desire that the necessary communications may be made to the Bank and to the Paymaster-General.

These alterations sanctioned.

Let a copy of this Minute be laid before Parliament.

Letter from the Paymaster-General, dated 18 November 1837, referred to in the preceding Minute.

I have the honour, with reference to the practice that has been established for conducting the drawing accounts of this office at the Bank of England, to recommend to your Lordships that an account be opened at the Bank for all bills payable there, and that in future one drawing account only be kept at the Bank; by the adoption of which arrangement I consider that the business of the Paymasters, in my office, will be rendered more equal and steady, a reduction effected in the number of persons employed in that department, and a better security afforded to the public.

Alteration of Drawing Accounts at the Bank.

In compliance with your Lordships' Minutes of 19th August and November 1836, two drawing accounts (the Greenwich Out-pension Account making the third) have hitherto been kept at the Bank of England, one for the payments of effective, and the other for the payments of non-effective services, through which the whole payments for those respective services have regularly passed, consisting partly of bills accepted, payable at the Bank, and partly of the drafts of the Paymasters for ready money payments.

Three Drawing Accounts now open.

No distinction of effective and non-effective is, however, made in the funds or supplies from the Exchequer Credit Account, out of which "write-offs" are made to the credit of the drawing accounts, both of which accounts are supplied from one common source; and when the payments are passed into the general ledger of the Pay-office, the whole are indiscriminately carried to General Accounts of Army, Navy, and Ordnance Cash, no distinction being preserved of effective or non-effective services, beyond that of the detail payments being carried to the several Votes of Parliament for the one and the other respectively.

No distinction in Exchequer credits for effective and non-effective services.

The amount which passes through the Paymasters' hands in the course of the year is about 11,174,378 *l.*, in which sum is included 3,258,750 *l.*, for bills payable at the Bank, the payment of which is wholly managed by the Bank, excepting that the Paymasters sign the lists of bills as an authority for placing them to their respective accounts. This proceeding adds greater responsibility to the Paymasters than there seems to be any necessity or real occasion for; for if a bill account were opened at the Bank of England, for all bills accepted, payable there, to be carried to, there would be no occasion whatever to pass the above sum of 3,258,750 *l.* through the Paymasters' accounts, because the "write-offs" from the Exchequer Account, to meet the payment of these Bills, might be just as easily and effectually made to the Bill Account at the Bank, as to the accounts of the Paymasters for that purpose, and a greater security afforded thereby to the public; as it would only be necessary

A Bill Account would afford greater security.

* This letter merely calls attention to the preceding one, dated 18 November 1837.

necessary to keep comparatively small balances to the credit of the Paymasters, because, all their payments being made by check, the credit required could at all times be regulated by their payments, which the Accountant-general could have completely under his control, by returns made to him from time to time in the course of the day, of the amount of checks issued; and in the event of any unlooked-for or heavy demand, it could always be provided for by a "write-off" being forwarded to the Bank before, or as soon as the check for the demand was granted; besides which, having an account kept of the bills independent altogether of the payments by check, would very much facilitate the daily examination of the Bank book with the Paymasters' accounts.

The two Drawing Accounts should be consolidated.

Presuming that the advantage of having a Bill Account at the Bank has been made sufficiently apparent, I would now submit to your Lordships how far it would be advisable to do away with the distinction of the Drawing Accounts for Effective and Non-Effective Services, and to have only one Drawing Account for cash or ready-money payments. It has already been shown that no real advantage is gained by having two Drawing Accounts, seeing that no such distinction exists in the funds from whence the accounts are supplied, and that the distinction is completely sunk in the books of the Paymaster-general, the whole payments for effective as well as non-effective services for each of the services of Army, Navy, and Ordnance, being indiscriminately mingled in the accounts of cash applicable to each.

Advantages of one Drawing Account.

But if only one Drawing Account were kept at the Bank several advantages would accrue from it.

In the first place, instead of having two pay-rooms in different parts of the office, there would be only one large room or office for the payment of all claims, exclusive of the Navy Allotments, which are paid in cash in an entirely separate branch of the office, so that the claimants after getting their claims passed would only have to inquire for the pay-room, and be saved the trouble of finding out the meaning of the official terms Effective and Non-effective.

In the second place, under the present arrangement of having two Drawing Accounts, it is frequently the case, that while there is a pressure of claims upon the Effective Paymaster, there is comparatively little upon the Non-Effective, or *vice versâ*, according to the fixed periods of payment of the several services; but by having only one paying office, and all the payments being made indiscriminately from one Drawing Account, the business of the Paymasters would be rendered more equal and easily managed, and being thrown together might very well be conducted by the two Paymasters, the two Assistant Paymasters, and one junior clerk only.

If your Lordships should approve of the proposed alterations, I request the necessary directions may be given to the Bank of England, so that the change in the accounts may take place from the 1st December next, in order that the new system may have been in operation previously to the commencement of the next quarter's payment.

I have, &c.

(signed) *H. Parnell.*

PAPER prepared in 1848 for the SELECT COMMITTEE on the MISCELLANEOUS ESTIMATES, on the Office of Paymaster of Civil Services and the Exchequer.

Paper on Civil Service Pay Office and Exchequer. 1848.

PAYMASTER OF CIVIL SERVICES.

The Paymaster of Civil Services Office should be consolidated with that of the Paymaster-general.

1.—THE office of the Paymaster of Civil Services might with great advantage be consolidated with that of the Paymaster-general. A pay-office is an elaborate piece of official mechanism, which, when it has once been properly organised, is capable of throwing off almost any quantity of work. Pay clerks cannot be engaged during the whole of every day in handing money over the counter. There are 66 clerks belonging to the Paymaster-general's office, and only 13 in the Paymaster of Civil Services'. The Paymaster-general makes, every year, several hundred thousand payments, and the Paymaster of Civil Services only from 10,000 to 12,000. A great deal of work, consisting principally of transfers, and the correspondence connected with them, which is occasioned solely by the fact of there being two pay-offices instead of one, would be saved by their union. The two offices are in the immediate neighbourhood of each other, and a considerable number of persons connected with the banking and agency houses, who at present have to go the round of both offices, will be saved time and trouble if all the payments are made at one place. It may be necessary at first to make an addition of two or three clerks to the Paymaster-general's establishment, by a transfer of that number from the establishment of the Paymaster of Civil Services; but the rest of this last mentioned establishment, including the highly-paid officers at the head of it, may be immediately reduced, and the rooms which they occupy in the Treasury may be made available for other branches of the public service, for which they are much required. The office of Paymaster of Exchequer Bills has been already united with that of Paymaster-general; and when the Paymaster of Civil Services' office shall be similarly consolidated, the proper division of labour will be fully established between the department which is charged with the custody and appropriation of the public money, and that which is charged with its payment in detail.

Saving of establishment which would result,

and saving by reduction of Bank balances.

2.—Another considerable saving will at the same time be effected by a reduction of the large balances kept at the Bank of England by the Paymaster of Civil Services. It will be seen from the accompanying documents that the Exchequer account of that office on the 4th March showed a balance of 230,537 *l.*, and his cash account, 64,983 *l.*, making altogether 295,520 *l.*; while on the same date the entire balance of the Paymaster-general, whose annual payments are four times as large as those of the Paymaster of Civil Services, was only 27,030 *l.* This remarkable difference is owing to these two offices keeping their accounts on different principles.

Unnecessary balances of the Paymaster of Civil Services occasioned by his numerous separate accounts.

3.—The Paymaster of Civil Services has a separate account at the Bank for every one of the numerous heads of service on the Consolidated Fund and the Miscellaneous Estimates which are paid by him; and according to the theory of his system, every payment is made out of that particular account at the Bank of England to which the service belongs. This theory is not fully carried out, because the payments which have to be made under some heads of service are so frequent and uncertain, that if they were to be made out of the accounts at the Bank to which they properly belong, much trouble and delay would be occasioned by an incessant application to the Treasury and Exchequer for new credits; and therefore these services, and others also, as the occasion may require, are paid out of the Paymaster of Civil Services' cash balance, which is replenished at convenient intervals by credits from the grants on account of which the advances have been made. But the attempt, however ineffectual, to keep a separate account at the Bank for every one of the numerous heads of service, has necessarily led to the large aggregate balance above adverted to, which cannot be much diminished while the present system is persevered in.

The Paymaster-general has only one account.

4.—The plan adopted by the Paymaster-general, on the other hand, is to have only a single account at the Bank of England, out of which all his payments are made for every description of service, and to trust to the books of his own office for recording the transactions of the different services in the distinct and exact manner required to render a just account of the appropriation of the sums imprested to him, by which means his balance at the Bank is maintained at the lowest point required to meet the payments actually falling due in each day.

This account systematically subdivided.

5.—The Paymaster-general's banking account is divided under two heads, one for receipt and the other for payment; the receipt side is again subdivided into two heads, one of which is his Exchequer credit account, representing the credits which he daily receives from the Treasury, under the several heads of service for carrying on the payments entrusted to him, and the other his cash account, representing the miscellaneous sums received by him on account of sale of old stores, transfers, &c. The payment side is also subdivided into two heads, one of which is called his drawing account, for making ordinary cash payments, and the other his bill account, for paying the numerous Commissariat, Navy, and other bills. No payments whatever are made from the receipt side of his account, (that is, his "Exchequer Credit," and "Cash" accounts,) which is used merely as a channel for replenishing the payment side. This arrangement conduces as much to the security as to the

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the economy of the public money, inasmuch as the amount from which disbursements can under any circumstances, be made, is always, by means of it, kept at the lowest possible point.

The Paymaster-general's system is accordant with mercantile practice;

6.—I am persuaded that, of these two systems, the one adopted in the Paymaster-general' office is most consistent with the true principles for the conduct of business. Merchants, manufacturers, and railroad companies, however large their concerns may be, do not have a separate account at their bankers for every head under which their expenditure is conducted; but, as a general rule, they have a single banking account for every purpose, which they keep as low as possible, and depend upon a proper system of bookkeeping in their own office for preserving the distinctness and regularity of their various transactions.

and is much more convenient for the public business.

7.—The discontinuance of this large number of separate accounts at the Bank of England will save much time and labour both in the Paymaster's office and at the Bank, and will much facilitate business. The difficulty of always keeping so large a number of balances at a level to meet the current demands upon them, is very great, and it has sometimes happened that the Paymaster of Civil Services' cheques have been refused, owing to an insufficiency of funds on the particular accounts on which they were drawn, although there were large Government balances on other accounts. On one occasion a cheque was refused because the credit which had been given was short of the amount drawn for by one penny. On another occasion a cheque was refused owing to the Bank having posted a former cheque to a wrong head of service, by which the credit was exhausted.

On a consolidation, the whole of the Paymaster of Civil Services' balances would be unnecessary.

8.—If the office of Paymaster of Civil Services shall be consolidated with that of Paymaster-general, and the payments for the united services shall be made by the Paymaster-general according to his present practice, it will not be necessary for the last mentioned officer to increase his present average balance, and the entire balance now standing to the credit of the Paymaster of Civil Services (with the exception of certain deposits in his cash account, which may be considerably reduced), will be rendered unnecessary; in other words, a sum equal to the average amount of those balances will be rendered available for paying off deficiency bills or any other part of the National Debt, whereby a saving of about 9,000 *l.* a year will be effected, or this sum might be added to the general balance standing to the credit of the Government, whereby the necessity of borrowing from the Bank would be diminished to that extent.

Exchequer.

Separation of the Exchequer from the Treasury after the Restoration.

9.—The Exchequer is the ancient Treasury of England, and the Lord High Treasurer was the chief officer of it, who was installed in the Exchequer offices, and regularly transacted business there. After the Restoration, the Lord High Treasurer and the Commissioners who were at first occasionally and afterwards permanently appointed to execute his office, had apartments assigned to them in what have since been called the "Treasury Chambers at Whitehall." The separation of the two offices of Treasury and Exchequer which commenced at that time became gradually developed, and while the general superintendence of the revenue and expenditure, and the appropriation of the public money according to the grants of Parliament and the orders of the Sovereign, remained with the Treasury, the officers of the Exchequer exercised an official check to the extent of seeing that the grants of Parliament were not exceeded; and they also continued to make such payments as had not been transferred to the Bank of England. In 1831 the "Commissioners of Public Accounts" made their First, and only, Report, in which they recommended that the remaining payments should be transferred to the Bank of England, and that the Exchequer should be retained for the purpose of preserving the check over the appropriation of the grants, and of preparing the Exchequer bills; and this arrangement was afterwards carried into effect by the Act 4 & 5 Will. 4, c. 15, and the Treasury Minute dated 26 September 1834.

General practical result of the change.

10.—The practical result of these changes is that the Paymaster-general and the Bank of England are the actual Treasurers for the receipt, custody, and payment of the public money, and that there are two superior offices, one of which (the Treasury) is charged with the superintendence of the public revenue at every stage of its progress, from the proposal of taxes to Parliament to the final payment of the money, and the accounting for it to Parliament, and the other (the Exchequer) is charged with the limited and specific function of seeing that the grants of Parliament are not exceeded.

Office of Comptroller-general of the Exchequer by no means increases the security for the due appropriation of the public money.

11.—I am satisfied, from the experience I have had of this important branch of the public business, that the office of Comptroller-general of the Exchequer rather diminishes than increases the security for the due appropriation of the public money according to the grants of Parliament.

12.—The Comptroller-general of the Exchequer does not in reality prevent the grants of Parliament from being either temporarily or permanently exceeded, nor has he any power of preventing it according to the present constitution of his office. All he is able to do is to see that the sums drawn from the Exchequer in reference to each particular head of service, do not exceed the sums which have been granted by Parliament for that head of service; but he cannot prevent sums granted for one service from being drawn out of the Exchequer and applied to other services, nor can he prevent sums from being expended abroad according to the various exigencies of the naval and military, convict or colonial services, in excess of the grants of Parliament.

13.—The Paymaster-general and the Paymaster of Civil Services habitually use money belonging to one head of service in making advances for other services in the ordinary transaction of the daily business of their respective departments.

14.—It

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Control of the Exchequer nugatory as regards payments at home:

14.—It is impossible that the Paymaster-general could estimate the credit daily required by him from the Army, Navy, Ordnance, and Commissariat grants, with such accuracy as not temporarily to apply money drawn for one service to the payments for another, unless he were to draw a much larger sum than is required to make the united payments; and the Paymaster of Civil Services constantly makes the payments for certain heads of voted services from his cash balance, which is replenished from time to time, as occasion may require, from the grants on account of which the advances have been made. This practice is necessary for the proper and economical transaction of the public business, and it is effectually controlled in the case of the Paymaster-general by the audited accounts rendered to Parliament; but the continued and unquestioned existence of the practice proves that the control supposed to be exercised by the Comptroller-general of the Exchequer over the appropriation of the grants of Parliament, is merely a nominal one.

and still more so as regards payments abroad.

15.—When the foreign expenditure is taken into view, the control of the Exchequer is still more obviously nugatory. The aggregate grants for the Navy have been repeatedly exceeded of late years, without any interference on the part of the Comptroller-general of the Exchequer, and this has also taken place in respect to the grants for colonial, convict, emigration, and other services. The control of the Exchequer only extends to sums issued at home through the Exchequer, and it does not embrace the large disbursements continually made from the commissariat chests abroad for carrying on the expenditure of this country under all the different heads of service in all the four quarters of the globe.

A control has been otherwise provided by a recent Act.

16.—On this point Parliament has established another system of control, the foundation of which was laid by Sir James Graham's reforms in the Admiralty in 1831; and since 1840, uninterrupted efforts have been made to extend this system on an uniform and effective footing to the other great departments of expenditure, which has at last been accomplished by the introduction of a restrictive clause into the annual Appropriation Act, by the Act 9 & 10 Vict., c. 92, and by the Treasury Minutes of 13th January and 8th September 1846.

An account of the appropriation of money for Army, Navy, Ordnance, and Commissariat Services annually laid before the House of Commons.

17.—According to this system, the Army, Navy, Ordnance, and Commissariat Departments are not permitted, without the express written consent of the Treasury, to apply any surplus which may exist under one head of their estimate to supplying a deficiency under any other head; and in order that Parliament may be kept constantly informed of what is done in this respect, an account, certified by the Commissioners of Audit, is required by law to be laid before the House of Commons at a fixed date, being the earliest at which it can be rendered, showing in parallel columns the vote for each service, the sum actually expended, and the causes of any considerable difference between the sum voted and the sum expended. This is a real control, and is felt to be so by all the parties concerned.

This might, with advantage, be extended to Miscellaneous Expenditure:

18.—There remain the heads of service voted in the Miscellaneous Estimates, which are of much smaller amount than the Army, Navy, Ordnance, and Commissariat Services, to which the above-mentioned system of control has been already applied; and what I would suggest is that that system should be extended to the expenditure of the grants on the Miscellaneous Estimates, and that a similar account should be periodically furnished to Parliament at the earliest practicable date, showing the sum granted, and the sum expended under each head of the Miscellaneous Estimates, and the reasons for any considerable difference that may appear between those sums. This is not, at present, anywhere done in a distinct and satisfactory manner. At page 97 of the Finance Accounts for 1847 will be found an account of the sums issued from the Exchequer under the several heads of the Miscellaneous Estimates; at page 111, an account of the sums which remained unissued under the same heads; and at 118, and the following pages, an account of the sums voted, paid, and *remaining to be paid;* but there is nowhere a clear and distinct statement of the whole actual expenditure, as compared with the grants, such as is furnished for the Army, Navy, Ordnance, and Commissariat Departments, and which is so eminently calculated to enforce the responsibility of the Treasury in respect to the due appropriation of the grants of Parliament, and the preventing of any unnecessary exceeding of them.

and there would be no difficulty in effecting it.

19.—With the exception of the Estimate for the Treasury establishment, and one or two others, the Miscellaneous Estimates are submitted to the Treasury by other departments; they are revised by the Treasury in a closer and more detailed manner than the Estimates for the Army, Navy, and Ordnance Services; and the Treasury exercises a more effective control over the miscellaneous expenditure than can be the case in regard to the naval and military expenditure. All that is required, therefore, to complete the system of check is that the Treasury should render the same account to Parliament of this part of the financial superintendence exercised by it over the executive departments which it already renders in respect to the Army and Navy grants; and for effecting this no other change is required than that Parliament should vote some portion of the Miscellaneous Estimates before the close of each financial year, and that the grants on the Miscellaneous Estimates should be *for payments to be actually made within the year*, as is now the case in the Naval and Military Departments, instead of for sums due for the year, in order that the accounts may be closed, and the balance struck on each grant at the end of the year.

Instances of the exercise of control on the part of the Exchequer.

20.—When Her Majesty graciously determined that her income should be subjected to the Income Tax, the Comptroller-general objected to issue money from the Exchequer on this account, and the amount has therefore been drawn in full, and the Income Tax has been made good partly by payments from the Privy Purse and partly by deductions made at the Treasury. I mention this as being the only instance in which, as far as I am aware, the Comptroller-general has exercised a practical check over the Treasury. His predecessor, the Auditor of the Exchequer, demurred to the Treasury issuing the interest on the Russian-

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Russian-Dutch Loan after Belgium had been separated from Holland, but he withdrew his objection upon Lord Grey directing him to make the issue on the responsibility of the Executive Government, which, under the peculiar circumstances of the case, was the course which the affair ought at any rate to have taken.

A correct system of accounts, and not a multiplicity of checks, is the real security.

21.—There is no institution similar to that of this double Treasury in any other country of the world. I have shown that the check supposed to be exercised by the Comptroller-general of the Exchequer is merely a nominal and ideal one; but even if the case were otherwise, I contend that if the Treasury is to be trusted with superintending the larger amount and less manageable expenditure of the naval and military departments, it is still more to be trusted with checking the smaller amount and better understood expenditure connected with the Miscellaneous Estimates. The Committee of Public Accounts of 1831, justly remarked that *the best security for the faithful appropriation of the public money* is to be obtained in a correct system of public accounts, and what I have proposed is that this security should be fully applied to the whole of the voted expenditure. It is a great mistake to suppose that security is to be obtained by a multiplicity of checks. On the contrary, mistakes and frauds are more likely to occur in proportion as accounts are more complex and difficult to be understood. The checks should be effective, few, and simple, and great care should be taken not to overlay the really important points by a mass of extraneous matter.

Opinion of Commissioners of Public Accounts.

22.—The Commissioners of Public Accounts of 1831 notice with approbation the recorded opinion of preceding Commissioners, as to "the necessity of 'recommending the abolition of ancient practices, which were thought by our ancestors absolutely necessary for the protection of the King's revenue,' and of 'suggesting alterations opposed to the opinion of past ages,' when those practices are become no longer applicable to the present state of things; and those alterations are peremptorily demanded by a due regard to the public interest"

Saving of public time by the abolition of the Office of Exchequer.

23.—If the change I have recommended be adopted, the saving will be much greater than the mere salaries of the officers of the Exchequer. The quantity of unnecessary business created by this double machinery is very painful to those who feel that there is more to be done in order that the public interests may be properly looked after, than it is possible for the servants of the public to get through, even supposing their time not to be unnecessarily occupied. For instance, before any payment can be made by the Paymaster-general from a grant of Parliament, all the following forms have to be gone through:—

1. A Royal Order addressed to the Comptroller-general of the Exchequer, countersigned by the Commissioners of the Treasury.

2. A Treasury Warrant, founded on the Royal Order, and also addressed to the Comptroller-general of the Exchequer.

3. Monthly Estimate of the Paymaster-general.

4. Special application from the Paymaster-general for the particular sums required by him from day to day.

5. A letter from the Assistant Secretary to the Treasury to the Comptroller-general of the Exchequer, authorising him to grant a credit to the Paymaster-general.

6. A letter from the Assistant Secretary to the Treasury to the Paymaster-general, advising him of a credit having been given.

7. A letter from the Comptroller-general of the Exchequer to the Bank of England, founded on the letter from the Assistant Secretary, directing the Bank to give a credit to the Paymaster-general.

8. A certificate from the Comptroller-general of the Exchequer, advising the Paymaster-general of the actual issue of the credit; and

9. An order from the Treasury, or from some one of the naval or military departments, directing the Paymaster-general to make specific payments out of the sum so received by him from the Bank.

24.—Supposing the remaining establishment of the Exchequer to be reduced, the constitutional form of the Royal Order would be addressed to the Treasury; but much time and labour might be saved by preparing one Royal Order for the whole or a considerable number of the grants on the Miscellaneous Estimates, instead of one for each grant, as is the case at present.

25.—The Treasury Warrants at present addressed to the Comptroller-general of the Exchequer might, in the case supposed, be entirely dispensed with, inasmuch as they do not now go beyond the Exchequer, nor do they contain any information which is not contained in the Royal Order.

26.—And the daily letters now addressed by the Assistant Secretary to the Comptroller-general of the Exchequer, would be addressed by him direct to the Bank of England.

27.—The documents numbered 6, 7, and 8 would also be dispensed with, for, as regards the first of these three, daily orders on the Bank would be delivered to the Assistant Paymaster-general and a separate advice would therefore be unnecessary.

28.—The Exchequer Bills may be prepared by the officers, and within the walls of the Treasury, with the same security, and according to precisely the same system as they are now prepared at the Exchequer.

C. E. Trevelyan.

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Treasury Minute, dated the 22d December 1848, for the Government of the Office of Her Majesty's Paymaster-general.

Consolidation Act of 1848 (11 & 12 Vict. c. 55).

1. My Lords have under consideration the Regulations which it is necessary to issue, to give effect to the provisions of the Act 11 & 12 Vict. c. 55, under which they are empowered to abolish the offices of the Paymaster of Civil Services and of the Paymasters of Exchequer Bills, and to transfer the duties thereof to Her Majesty's Paymaster general.

Consolidation Act of 1835 (5 & 6 Will. 4, c. 35).

2. My Lords have also before them their Minutes of the 19th August and 19th November 1836, containing the instructions issued by them for carrying into effect the provisions of the Act 5 & 6 Will. 4, c. 35, for the consolidation of the offices of Paymaster-general of the Forces, Treasurer of Chelsea Hospital, Treasurer of the Navy, and Treasurer of the Ordnance. My Lords proceed to define the modifications which appear to be necessary in the rules laid down in the said Minutes, and to prescribe the additional instructions which are required in reference to the new branches of business to be added to the office of Paymaster-general under the provisions of the Act above quoted.

Services to be paid by the Paymaster-general.

3. The services to be paid by the Paymaster-general will consist of all army services, voted on the Army and Militia Estimates, which are under the control of the Secretary-at-War and of the Commissioners of Chelsea Hospital; all commissariat services voted on the Commissariat Estimates, and which are under the control of this Board; all naval services voted on the Navy Estimates, and naval prize services, which are under the control of the Lords of the Admiralty; all ordnance services voted on the Ordnance Estimates, and which are under the control of the Master-general and Board of Ordnance; all the services formerly called "Army Extraordinaries," and which are now included under the denomination of "Commissariat Chest Services," all the civil services voted on the several Miscellaneous Estimates, and the services charged on the Consolidated Fund, hitherto paid by the Paymaster of Civil Services, also the payment of the principal and interest of Exchequer Bills, all of which are under the control of this Board.

Course to be followed preparatory to the issue of Exchequer credits.

4. The course to be followed preparatory to the issue of credits on the Exchequer in favour of the Paymaster-general is pointed out by the 4 Will. 4, c. 15, for the regulation of the Exchequer, and in their Lordships' Minute of the 26th September 1834, issued in pursuance thereof.

Monthly estimates of credits required.

5. The Paymaster-general will transmit to this Board, according to the directions of that Minute, monthly estimates, at least six days before the commencement of the month to which such estimates may apply, showing the probable sums required during the ensuing month, in weekly proportions, for army, navy and ordnance services. He will receive from the War Office, Admiralty, and Ordnance Departments the necessary returns to enable him to prepare the monthly estimates for those departments.

Special applications for the issue of credits.

6. The directions for Exchequer credits to the Paymaster-general will be founded on special applications, to be made by him to their Lordships.

Royal Orders and Treasury Warrants.

7. By the 11th section of the Act 4 Will. 4, c. 15, Royal Orders are required to empower the Lords of the Treasury to direct the Comptroller-general of the Exchequer to grant credits for the various services voted by Parliament, upon which Treasury Warrants and Letters are founded, as required by the 12th section of the same Act. Issues charged on the Consolidated Fund are made by credits given upon Treasury Warrants, but without Royal Orders, as authorised by the 13th section of the Act.

Existing regulations continue in force.

8. These Regulations will continue to be strictly observed, and the only alteration which appears to their Lordships to be necessary in the orders heretofore in force is that the credits which have hitherto been granted to the Paymaster of Civil Services and to the Paymasters of Exchequer Bills, shall for the future be granted to the Paymaster-general.

Extra receipts through the cash account.

9. Numerous sums of money, and of considerable amount in the aggregate, are placed, from time to time, to the Paymaster-general's cash account at the Bank of England, in pursuance of orders issued by this Board, by the Secretary-at-War, the Commissioners of Chelsea Hospital, the Board of Admiralty, and the Master-general and Board of Ordnance. These sums consist in part of the produce of old stores, rents, and other sources of income, which will be transferred periodically from the Paymaster-general's account at the Bank to the credit of the Exchequer, as directed by their Lordships' Minute of the 2d May 1848, and will become ways and means subject to appropriation by Parliament; but they will also include repayments of advances, recoveries, and other receipts of a like nature, which, being merely adjustments of account, will not be payable to the Exchequer. To secure a perfect agreement between the books of the Paymaster-general and those of the Bank of England, in respect of these numerous receipts, and to guard against their being credited to wrong accounts, it will be necessary that the parties from whom money may be due, should in all cases obtain from the Paymaster-general orders authorising the Bank to receive such sums, previously to their being placed to his account.

Transfers between departments.

10. In all cases, however, in which advances and repayments are to be made between services, whether those to which the Paymaster-general's accounts have heretofore been confined, or those the management of which is now transferred to him, there will be no necessity for passing such transactions through the Paymaster-general's accounts at the Bank of England, as they can more conveniently be adjusted by transfers in his own books. It

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It is their Lordships' desire, therefore, that no such adjustments of account shall be effected by actual transfers of cash at the Bank of England, but that the respective services shall be debited and credited in the Paymaster-general's own books, in pursuance of orders to be issued to him by the departments concerned in such transfers. These transfers are of considerable amount, and they arise chiefly out of the settlements between the Commissariat Chest Account and the several departments, for advances out of the Commissariat chests abroad for naval and military services, and between the grant for civil contingencies and those services which have been temporarily provided for by advances from that grant. My Lords attach great importance to a strict adherence to the regulations now laid down for the adjustment of these transfers, as it will not only provide for the utmost clearness of account, but it will prevent at the same time an undue accumulation of the Paymaster-general's balances at the Bank, and afford the safest guarantee against any kind of irregularity in the settlement of transactions of such magnitude.

Regulation of the balances at the Bank.

11. My Lords proceed to consider what instructions it is necessary to issue to the Paymaster-general on the subject of his transactions with the Bank of England. It appears to be necessary, in the first instance, that the principle upon which he should regulate his balances should be clearly understood.

Mode hitherto adopted by the Paymaster-general.

12. The balances at the Bank have hitherto been considered as a general fund applicable to the payment of all current services; the demands for Exchequer credits, to replenish the balances, have been made with reference to the known or expected wants of the respective departments having authority to draw upon the Paymaster-general, and the appropriation of the issues to the various services to which they relate, has been made daily in the Paymaster-general's own books, upon the actual vouchers presented for payment. By this arrangement, the necessity of keeping a larger balance at his credit at the Bank, than was actually required for carrying on his payments, and the complication of his accounts at the Bank, caused by multiplying and subdividing balances, which in accounts so extensive would have entailed great labour and risk of error, without any useful practical result, has been avoided.

Balances should be kept as low as possible.

13. It is an object of great importance that the public money should not be drawn from the Exchequer either before it is wanted, or in larger sums than the services for which it is issued requires, or, in other words, that the balances should be confined to the lowest sum necessary for carrying on the payments for the public service in a punctual and regular manner; and as this object, so essential both to security and economy, is greatly facilitated by the arrangement and practice above referred to, my Lords desire that the system of account and payment which has been pursued in the Paymaster-general's department since the last consolidation of the pay offices in 1836, be applied to the services lately transferred to his charge.

No payments to be made in excess of grants of Parliament.

14. My Lords will, in all cases, communicate to the Paymaster-general the amounts of the several grants made by Parliament for the public service, in respect to all those departments the payments for which are made in his office, as soon as the votes shall have been granted in supply, and ways and means shall have been appropriated by Parliament to satisfy them; while at the same time the Royal Orders and the Warrants will be duly completed by this Board and by the Comptroller-general of the Exchequer, to enable my Lords to direct the grant of the necessary credits, from time to time, to meet the expenditure. The Paymaster-general, from the manner in which the books of account are to be prepared and made up in his office, will be able at once to satisfy my Lords of the necessity of directing the grant of such credits from time to time, and will have the most ready means of calling their Lordships' attention to the fact, if any order shall have been given to him by any department, a compliance with which would lead to an exceeding upon any one of the heads of service for which separate sums have been granted by Parliament. While by these arrangements the constitutional check exercised by the Comptroller-general of the Exchequer upon the issue of the public money, under the provisions of the Act 4 Will. 4, c. 15, will in all respects be maintained, the regulations which their Lordships prescribe for the government of the Paymaster-general's Office, will afford to this Board a further control and check over the expenditure in detail, which will enable their Lordships to ensure that no payment is made upon the order of any department under any head of service beyond the amount of the specific grant of Parliament legally applicable thereto. In this manner my Lords will have the means of satisfactorily exercising that control and authority which is vested in them by the Appropriation Act, whereby, while, on the one hand, the departments of expenditure are restrained from applying any part of one specific grant in aid of another specific grant, this Board, on the other hand, in relation to Navy, Army or Ordnance Services, is authorised, on being satisfied of its being indispensably necessary, to convey Her Majesty's sanction to the application of the surplus on one grant to supply the deficiency on any other, provided the total of all the grants for the particular department as aforesaid, which applies for such sanction, be not thereby exceeded.

Cash Account to be exhausted before drawing upon Exchequer Credits.

15. The order contained in their Lordships' Minute of the 26th September 1834, for the regulation of the office of the receipt of Her Majesty's Exchequer, by which the Paymaster-general is required to exhaust the balance of monies on his cash account for Army, Navy, and Ordnance Services, in making payment for those services before any drafts are drawn by him on the Exchequer Account, is consistent with the directions of this Minute, and should be strictly observed.

Weekly and monthly returns of balances to be sent to the Treasury.

16. To enable my Lords to judge of the regularity of the demands for credits from the Exchequer which the Paymaster-general will address, from time to time, to this Board, it

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is their desire that he will transmit to this Board, in addition to the weekly statement now sent to them, showing the actual balances on his accounts at the Bank, a monthly return of the service balances of cash on every head of account opened in his books.

Exchequer Credit and Cash Accounts at the Bank.

17. The existing regulations for the accounts kept at the Bank of England for the transactions of the Paymaster-general, as revised and settled by their Lordships' instructions to the Bank, dated the 28th March 1838, are as follows: two Supply Accounts are opened at the Bank to receive all the sums which may be placed to the Paymaster-general's credit. The first is called "The Exchequer Credit Account," and represents all the credits granted to the Paymaster-general on the account of the Comptroller-general of the Exchequer. The second is called "The Cash Account," to which are placed all other sums received by the Bank on account of the Paymaster-general. These two accounts are strictly Supply Accounts. No cheque or bill can be drawn upon them; but from them the two working accounts, hereafter described, are fed daily, or more frequently if necessary, with the sums required to meet the daily payments. For this purpose the Paymaster-general grants authority to the Assistant Paymaster-general, and in his absence to a chief clerk, to sign writes off or transfer orders in favour of the two working accounts.

Drawing and Bill Accounts at the Bank.

18. These two working accounts are—

1st. The Drawing Account;

2d. The Bill Account.

No funds can be placed to these accounts except by writes off or transfers from the Exchequer Credit Account and the Cash Account; and they are never supplied with a larger fund than is necessary to meet the payments of each day. The Paymaster-general authorises certain persons in his office, by deputation, to sign cheques and accept bills of exchange; but these persons have no knowledge of the state of the funds on the accounts upon which they have authority to draw. Thus, there are two sets of officers employed in connexion with the Bank accounts; the one having power over the supply accounts, and whose duty it is to exercise a constant supervision and control over the balances of the working accounts, and over those who have the power to draw upon them; the other having authority to draw upon the working accounts, but having no power to place funds to those accounts to meet their drafts.

Cheques and Bills-Advice Lists.

19. From the funds placed to the Drawing Account all cheques are paid. No cheque is payable at the Bank unless countersigned by a person duly authorised by the Paymaster-general. All bills of exchange, whether accepted at the Treasury, at the Admiralty, or at the Pay-office itself, are made payable on the Paymaster-general's Bill Account. Advice lists of all bills accepted are sent to the Bank before such bills become due; and these lists being countersigned by a person appointed to that duty by the Paymaster-general, afford the same security for the bills paid from the Bill Account as the countersignature to the cheques does in regard to payments from the Drawing Account.

Security afforded by the existing arrangements.

20. These last-mentioned regulations, which have now been in practical operation more than ten years, appear to my Lords to provide every possible security and facility for the proper transaction of that part of the Paymaster-general's duties to which they relate. They provide complete security for the balances, by placing all monies, in the first instance, to accounts upon which no drafts can be paid, and by not permitting any transfer of monies from those accounts until the same are actually required to be paid away for public services through the working accounts. By this arrangement, the balances on the working accounts are rarely more than sufficient to pay the demands issued upon them from day to day. Thus, however large the Paymaster-general's balance may be, it is not exposed to any risk, inasmuch as so long as it remains on the Exchequer Credit Account or the Cash Account, it cannot be made available for the payment of any draft whatever.

Bank pass-books.

21. Under the regulations now in force, the Bank pass-books, together with the paid cheques and bills, are sent daily to the Pay-office, where the cheques and bills are immediately compared with the entries in the pass-books, and with the office cheque-book, and the balances are duly examined. It is important that this comparison should never be postponed, as it is essentially necessary in order promptly to detect the payment of any irregular draft.

Cheques never to be signed or countersigned in blank.

22. My Lords desire that the Paymaster-general will not, under any circumstances, permit cheques to be signed or countersigned in blank, and that signatures shall never be attached to cheques as a matter of form, but only after they shall have been examined and compared with the vouchers on which they may be founded, by each person affixing his signature thereto.

Rules for transactions with the Bank to be strictly enforced.

23. My Lords have reviewed at length the regulations under which the Paymaster-general's transactions with the Bank are conducted, because they consider it a matter of great importance that in an office of such extensive pecuniary trust, every step in the business of payment should be defined by settled authority, and that as little as possible should be left to the discretion of the executive officers employed; and they strictly enjoin the Paymaster-general not to permit any deviation from the course of proceeding described in this Minute, in relation to his transactions with the Bank of England, unless the same shall have been previouly submitted to and sanctioned by this Board.

Payments in office cash.

24. Under existing authorities the Paymaster-general is empowered to make certain payments at his office in cash. These payments are chiefly made to the following classes of claimants: seamen paid off from their ships at the outports, who remit a portion of their wages payable in London; wives, children, and other relatives of seamen employed afloat,

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and who allot a monthly portion of their wages, while so employed, for the support of such wives and relatives; superannuated navy warrant officers, ships' cooks, artificers and labourers in the dockyards, the poorer classes of widows of officers of the army, navy, and ordnance, children in receipt of compassionate allowances, superannuated artificers and labourers of the Ordnance Department; and various other claimants in receipt of small annuities.

Control and examination of the balance.

25. The advantages of this mode of payment to poor claimants, many of whom are aged and infirm, and who would be exposed to unnecessary risk and inconvenience, were they compelled to proceed through the crowded thoroughfares of the City to get their cheques cashed at the Bank of England, are so obvious, that my Lords are pleased to sanction the continuance of the facilities now afforded, leaving it to the Paymaster-general to exercise a proper discretion as to the claimants to whom they should be extended. Their Lordships desire, however, that the Paymaster-general will limit the amount of cash kept in his office to the lowest sum necessary for properly carrying on the public service, and that he will cause the balance to be placed under proper control, and submitted to frequent examination.

Payment of ships at Woolwich.

26. Under the present regulations for paying the wages of the crews of Her Majesty's ships at Woolwich, the Paymaster-general has occasionally to despatch one or more clerks to Woolwich with the necessary funds for that purpose. The amount of cash sent down in such cases is regulated by the Admiralty, and clerks attend from that department to witness and check the payments to the seamen, which are made under the superintendence and control of the superintendent of the dockyard. As it appears doubtful whether, under the requirements of the Act 11 Geo. 4, c. 20, this mode of payment can be altered, the Paymaster-general will continue to provide for the payment of seamen's wages in the manner described, whenever he may be required to do so by the Board of Admiralty.

Weekly payments at Chelsea Hospital.

27. It has also been the practice of the Paymaster-general, since the abolition of the office of agent of Chelsea Pensioners in 1845, to send a clerk every Saturday to Chelsea Hospital to pay the in-pensioners, the infirmary servants, and others. As it appears that there is no money accountant on the spot who could conveniently undertake the duty of making such payments, my Lords sanction the continuance of the present practice.

Out-Stations—Branch banks at Portsmouth and Plymouth.

28. In addition to his payments made through the chief office at Whitehall, the Paymaster-general is charged with the duty of paying numerous services, principally naval, through the branches of his office at Chatham, Sheerness, Portsmouth, Devonport, and Hanover. At all these stations, except Sheerness, where the balance is small, the public money is under the joint charge of two clerks, who act as a check upon each other. At Portsmouth and Devonport there are branches of the Bank of England, and the monies required at those ports will continue to be placed to the Paymaster-general's credit at those branches, and the clerks who may be appointed to conduct the payments will be authorised to draw upon his account at the branch bank, by virtue of deputations to be granted to them by the Paymaster-general. The cheques drawn on the branches of the Bank of England are to be signed by both pay clerks, and are to be countersigned by the superintendents of the dockyards.

Chatham balance wholly in notes and specie.

29. There being no branch bank at Chatham, the whole amount of the balance in notes and specie is kept in the office under two separate locks, each pay clerk having one key, so that neither can have access to the chest without the presence of his colleague.

Similar arrangement at Hanover.

30. At Hanover a similar arrangement has existed since the appointment of joint paymasters in 1842.

Supplies of money for the ports regulated by the Admiralty.

31. The pay branches at Chatham, Sheerness, Portsmouth, and Devonport being established exclusively for payments connected with the naval service, the supplies of cash required from time to time will be regulated by the Admiralty, and the Paymaster-general will make the necessary remittances to his pay clerks, on receiving the usual authority from that department.

Control and examination of the balances at the ports vested in the Admiralty.

32. The control of the balances kept at the ports rests, by virtue of long established regulations, with the Admiralty Department, and check clerks belonging to that department are attached to each of the pay offices at Chatham, Portsmouth, and Devonport, who check the daily payments. Under the Act 2 Will. 4, c. 40, the superintendents of the dockyards are required to inspect and take an account of the balances in the hands of the pay clerks on the last day of the financial year, and also on every change in the office of Paymaster-general. In addition to these inspections, the superintendents are required by the instructions issued for their guidance by the Admiralty, to make a similar examination of the balances on the last day of every month, and to certify the same on the monthly accounts sent to the Paymaster-general and to the Admiralty by the pay clerks. They are required, moreover, to examine the balances at least once in every month at irregular and uncertain periods, without previous notice; and they require the Admiralty check clerk attached to the Pay-office to furnish a certificate of the charge against the Paymaster-general, to enable them to verify the correctness of the balance which may be exhibited to them by the pay clerks. Certificates of such examinations are forwarded to the Admiralty and Paymaster-general.

33. These regulations appear to my Lords to provide such ample security for the proper application of the balances in the hands of the Paymaster-general's deputies at the respective ports, that they do not think it necessary to direct any alteration in them.

Payments through the Bank of Ireland.

34. Large sums are paid by the Paymaster-general through his account at the Bank of Ireland. Credits are placed to that account by transfers from the account of the Exchequer in

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in Ireland, under the authority of their Lordships, or transfers are made by the Paymaster-general from his account at the Bank of England. Special authorities for the payments are sent to the Bank of Ireland by the Paymaster-general, and a monthly account of receipts and payments is furnished by the Bank. My Lords see no occasion for altering the present mode of conducting these payments.

Authorities for Paymaster-general's payments.

35. My Lords proceed to define the authorities under which the Paymaster-general will be required to make the payments for the various services referred to in this Minute.

Warrants for Army Effective Services and Chelsea Out-pensions.

36. He will require a warrant (or order for payment), signed by the Secretary-at-War, for every payment to be made by him for Army Effective Services, and for payments to be made out of the Vote for Chelsea Out-Pensions. He will also require the annual Sign Manual Warrant, under which the Secretary-at-War is authorised to sign such warrants, to be transmitted to him after the annual Appropriation Act shall have been passed. The Paymaster-general will also take care that the direction contained in the Royal Warrant, restricting the authority of the Secretary-at-War to issues within the limits of the respective Votes, is complied with. The only cases in which the Secretary-at-War's signature to Warrants can be dispensed with are those specially sanctioned by Statute: thus Warrants for payments on account of the Volunteer and Militia Services may be signed by the Deputy Secretary-at-War, under the authority contained in the Act 57 Geo. 3, c. 41, s. 6. These warrants, accompanied by the drafts or receipts of the persons in whose favour they may have been issued, will be admitted as sufficient vouchers for the payments made by the Paymaster-general for the services before mentioned.

Sign Manual Warrants for Army Non-Effective Services.

37. Sign Manual Warrants will be required for all payments on account of the Non-effective Services included in the Army and Militia Estimates. Until lately, these warrants were renewed annually, and general lists or establishments were furnished by the Secretary-at-War to the Paymaster-general, who, after the necessary comparison had been made with the entries in his books, forwarded the same to the Audit Office as authorities for the payments made by him for such services. As, however, all these Royal Warrants now authorise the Paymaster-general to pay "until further orders," it does not appear to their Lordships that it is necessary to renew the authority or lists from time to time, as directed by their Minute of the 19th August 1836. They, therefore, desire that the Paymaster-general and the Commissioners of Audit will consider whether arrangements may not be conveniently made in their respective departments for dispensing with the periodical renewal of such authorities.

Certified payments for Chelsea In-pension charges.

38. Since the abolition of the office of agent for Chelsea Pensioners, the Paymaster-general has been required to make various small payments for services included in the vote for Chelsea In-pensions, which were formerly defrayed by the agent. A clerk is sent to Chelsea Hospital every Saturday, as already explained, to pay such charges on the spot. These payments are to be made on a general list or pay bill, which is to be prepared and certified by the adjutant, steward, storekeeper, or other proper officer of the establishment, and is to be countersigned by the person who performs the office of Comptroller. The parties named in such lists are to be paid in the presence of a clerk belonging to the secretary's branch of the hospital and of the officer of the day. After the close of the payment, a certificate of the total amount paid, stating that such payments were duly authorised according to the rules of the establishment, and that they were made to the several parties entitled, in the presence of the above officers, is to be given to the pay clerk as his voucher for the payments made by him. This certificate is to be signed by the clerk from the secretary's branch appointed to attend the payment, and is to be countersigned by the officer of the day; it should also bear the approval of the secretary of the hospital.

Other payments authorized by Commissioners of Chelsea Hospital.

39. All other payments included in the In-pension Vote, and all payments for trusses, &c., included in the Vote for Out-pensions, are to be made on orders signed by the Secretary, and approved by one of the Commissioners of the hospital; but in these, as well as in the cases before described, the covering warrant of three Commissioners of Chelsea Hospital must be produced to the Commissioners of Audit in support of the payments charged in the Paymaster-general's accounts.

Payments for Kilmainham Hospital.

40. The payments made out of that portion of the In-pension Vote which relates to Kilmainham Hospital are authorised by warrants of this Board, and the accounts of the Governors of the hospital are rendered to the Commissioners of Audit.

Authorities for payment of Commissariat Effective Services.

41. The payments for Commissariat Effective Services will, in the first instance, be made principally by the officers in charge of the Commissariat abroad out of the funds raised for the supply of the Commissariat Chests; and the charge against the Commissariat Vote, in the Paymaster-general's accounts, will be made on authorities issued to him by this Board, founded on claims prepared by the Commissioners of Audit. There will, however, be some direct payments by the Paymaster-general out of the Vote for Commissariat Effective Services; these will be made in pursuance of specific directions communicated to the Paymaster-general, through the medium of letters from this Board, in the ordinary course.

Authorities for Payment of Commissariat Non-effective Services.

42. The Non-effective Services provided for in the Commissariat Estimates will also be paid on orders from this Board, to be communicated to the Paymaster-general by letters. These orders will be permanent, as at present, and will remain in force until revoked by their Lordships.

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Correspondence with the Audit Board in 1841, 1842, and 1843, on the subject of authorizing payments for Commissariat Services.

43. My Lords take this opportunity of adverting to the correspondence which passed between them and the Commissioners of Audit in the years 1841, 1842, and 1843, on the subject of the form of authority under which payments for Commissariat Services should be made by the Paymaster-general, and should be allowed by the Audit Board. The Commissioners, by letters dated 28th April 1841, 1st July 1842, and 21st December 1843, acting under the advice of their solicitor, informed their Lordships that, under the Act 48 Geo. 3, c. 49, s. 3, the Paymaster-general was precluded from making any payments, save under the authorities mentioned in that Act, namely, under or in pursuance of any Act of Parliament, or by virtue or in pursuance of any warrant under Her Majesty's Royal Sign Manual, or of any warrant granted by the Lords of the Treasury or the Secretary-at-War; and that the Commissioners of Audit were consequently precluded, in the examination and audit of the Paymaster-general's accounts, from allowing him credit for any sums paid under any other authorities.

An annual covering warrant agreed upon.

44. In consequence of these representations from the Commissioners of Audit, my Lords directed, by their letters of the 16th July 1842 and 10th June 1844, that an annual statement of all payments made by the Paymaster-general, in pursuance of Treasury letters, should be submitted to them by the Audit Board, with a view to their being authorised by a general covering warrant signed by three members of this Board.

A re-consideration of this arrangement necessary.

45. The transfer to the Paymaster-general of a new class of payments, hitherto made by the Paymaster of Civil Services, in pursuance of Treasury letters, and allowed on such authorities in his accounts, renders it necessary to reconsider the decision come to upon the representations of the Commissioners of Audit before adverted to.

An annual Sign Manual Warrant will be obtained.

46. Although the provisions of the Act 48 Geo. 3, c. 49, passed in the year 1808, for the regulation of the accounts of the Paymaster-general of the Forces, do not appear to their Lordships to apply to the payments for Commissariat Services which were not made by the Paymaster-general till 1834, and although the office of Paymaster-general of the Forces has been abolished by a subsequent Act, which empowers this Board to prescribe rules and regulations for the new office created in 1836, my Lords are nevertheless of opinion that it is desirable to assimilate the authorities for payments made out of the Votes for Commissariat Services, to those under which other payments for Army Services are made by the Paymaster-general. With this view, my Lords will submit annually to Her Majesty a a warrant to empower the Paymaster-general to issue and apply the sums voted by Parliament for Commissariat Services, under the directions of this Board.

Payments for Commissariat Services to be authorized by Treasury Letters.

47. My Lords consider that the most convenient and expeditious mode of communicating their directions to the Paymaster-general, to make issues on account of the services included in the Commissariat Votes, will be by letters signed in the ordinary course; and as this practice has been adopted for many years with perfect safety and success, in regard to the more extensive services paid by the Paymaster of Civil Services, the annual warrant to be submitted to Her Majesty will provide, that payments made by the Paymaster-general in conformity with such authorities, shall be allowed and passed in his accounts by the Commissioners of Audit.

Commissariat Chest Payments (late Army Extraordinaries).

48. The payments made upon bills drawn by Commissariat officers for the supply of the Commissariat Chests, the payments to the Mint for the supply of specie, advances to colonial agents to be repaid to the Commissariat Chests in the colonies, and other payments, now included under the title of "Commissariat Chest Account," but which up to the year 1840 were called "Extraordinaries of the Army," appear to require special notice.

Nature of Commissariat Chest Account.

49. None of the payments now included in the Commissariat Chest Account are of the nature of expenditure finally chargeable against the account. Although large sums pass annually through the Commissariat Chest Account, it has neither income nor final expenditure of its own. Formerly various final payments were included in the Account of Extraordinaries, and an annual Vote of Parliament was taken "to defray the Extraordinary Expenses of the Army." Since 1832, however, no such vote has been taken, and the various expenses which the vote was intended to provide for, have been transferred to the estimates of the several departments of the public service to which they properly belonged. The Commissariat Chest Account, therefore, is not open to any of the objections which have been advanced against the Account of the Extraordinary Expenses of the Army. It is a simple banking account, from which the various departments abroad draw the supplies necessary for carrying on the public services in the colonies, such advances being replaced out of the Votes of Parliament, or other credits in this country, applicable by law to defray the charge of such services.

Advances by Revenue Departments similar in principle.

50. The arrangement which takes place in the settlement of the advances out of the Commissariat Chests abroad, is similar to that which is followed in regard to advances made by the revenue departments at home. The various public departments in London issue orders upon the several collectors of the revenue in the United Kingdom. These orders are cashed by the collectors out of the revenue collected by them, and they are remitted periodically to the Revenue Boards in London, as bills recoverable from the respective departments. The Revenue Boards, on delivering to the several departments the orders issued on their collectors, are reimbursed the amount of the advances made upon such orders, by transfers at the Bank of England, out of the Votes of Parliament applicable thereto. The principle is, in both cases, the same, and these banking arrangements not only promote

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promote economy, but they afford valuable facilities in the transaction of the public business.

Moneys for the supply of the Chests advanced by the Paymaster-general.

51. The moneys required by the several commissariat officers abroad, to enable them to meet the demands made upon them, from time to time, by the various departments of the public service at the respective stations, are, in the first instance, supplied by the Paymaster-general providing the funds required either for the payment of the bills drawn by the commissariat officers upon the Lords of the Treasury, or for providing specie to be remitted to the foreign stations; it is therefore necessary to define the authorities under which the Paymaster-general is to act in making such advances.

Royal Sign Manual Warrant for the application of Commissariat Chest funds.

52. According to the practice established during the existence of the late fund for "Army Extraordinaries," a Sign Manual Warrant has been obtained at the commencement of every reign, giving authority to the Paymaster-general to apply such sums as he might receive applicable to the "Extraordinary Services in the Army," in pursuance of such warrants as might be issued to him, by the Commissioners of Her Majesty's Treasury, by virtue of such Sign Manual Warrant. These services are now reduced to the simple banking transactions of the Commissariat Chests, and the authority referred to would be complete if the Paymaster-general always held a balance in his hands available for payments chargeable, in the first instance, to the account of the Commissariat Chest; but this has rarely been the case, owing to the delay which takes place in repaying to the Commissariat Chest Account the advances made for the service of the several departments.

Treasury Warrants for the payment of Treasury Bills out of the Votes for Land Forces.

53. To meet the difficulty arising from a deficient balance in the hands of the Paymaster-general, at the credit of the Commissariat Chest Account, the Paymaster-general has been authorised by Treasury Warrants, since the year 1832, when the votes for the extraordinary services of the army ceased to be taken, to pay the bills drawn by the commissariat officers abroad out of monies received "for the services of Her Majesty's land forces;" and these warrants have been issued under the authority supposed to be contained in the Royal Warrant before referred to.

These Warrants are not in conformity with the terms of the Royal Warrant.

54. The Commissioners of Audit have, however, by their letters of the 26th February 1847, and the 1st May 1848, very properly called the attention of their Lordships to the terms of the sign manual warrant, and have pointed out that it only gives the Treasury power to direct the application of moneys which may come into the hands of the Paymaster-general for the extraordinaries of the army; but that it does not empower the Treasury to apply sums voted for the service of Her Majesty's land forces, to the payment of Treasury Bills drawn by the commissariat officers abroad, for the supply of their chests.

Treasury Bills to be made payable out of the funds of the Commissariat Chest.

55. My Lords find, on inquiry, that during many years up to the year 1832, Commissariat Bills were uniformly made payable, by Treasury Warrants, out of the moneys in the hands of the Paymaster-general, applicable to the extraordinaries of the army; and nothing appears to be on record to show the grounds upon which the change made in the terms of the Treasury Warrant, in 1832, was directed. My Lords are therefore of opinion, that all Treasury Bills should, in future, be made payable out of moneys applicable to the service of the Commissariat Chest.

A more speedy recovery of advances necessary.

56. It will be necessary, when this arrangement shall be brought into operation, to issue such directions, in regard to the more speedy recovery of the advances made out of the Commissariat Chests, as will tend to place the Paymaster-general sufficiently in funds for Commissariat Chest purposes, to enable him to comply with the provisions of the amended Warrant, as it is proposed to frame it in future.

Available fund at the credit of the Commissariat Chest.

57. My Lords are aware that the service for which the greater part of the bills in question are drawn, is for the payment of the troops abroad, and that the votes for army services ultimately become charged with a large proportion of the monies raised by such bills. They are also aware that there is a considerable sum at the credit of the Commissariat Chest Account, upon a general balance of all its assets and liabilities. This balance is the result of a running account of the receipts and payments, under the head of "Army Extraordinaries," from a very remote date, and it does not exceed the sum indispensably necessary for making the advances for carrying on the various branches of the public service abroad. By an account recently completed by the Commissioners of Audit, in pursuance of directions issued by their Lordships on the 3d October 1845, it appears that, on the 31st March 1847, there remained available for carrying on the banking operations of the Commissariat Chest, a surplus balance amounting to 1,245,375*l.* My Lords are satisfied that if proper arrangements are made for regulating the periodical repayments to the Commissariat Chest Account, in the Paymaster-general's books, for advances made abroad, there ought to be no difficulty in carrying on the service with the available balance referred to, without borrowing from the grants for any other service, to meet the current payments. My Lords are strengthened in this opinion by an examination of the account before referred to, by which it is shown that there remained due on the 31st March 1847, to the Commissariat Chest Account by the Naval and Military Departments, beyond the quarterly repayments made by them on account of advances in the year 1846-7, a sum exceeding 1,160,000*l.* In addition to this sum, there was a further balance due to the Commissariat Chest, at the same date, from various services voted on the Miscellaneous Estimates, exceeding 200,000*l.*; making a total sum exceeding 1,360,000*l.* due from voted services. It is clear, therefore, that so far from the Commissariat Chest Account being in debt to the army and other services

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vices for the amount apparently advanced out of the votes for those services, to meet the current payments on account of the Commissariat Chest, those services were, in fact, at that date, considerably in debt to the Commissariat Chest on a balance of the accounts between them.

Monthly repayments to be made by the several departments upon account.

58. With the view of preventing so large an arrear of debt to the Commissariat Chest Account at the close of the year, and of avoiding the consequent necessity of apparently borrowing from other funds to meet the current payments for that account, my Lords are pleased to direct that the several departments, whose agents abroad receive advances from the Commissariat Chest, will authorise the Paymaster-general to transfer monthly, from their respective votes, to the credit of the Commissariat Chest Account in his books, a sum nearly equal to the estimated advances on account of each. This estimate should be regulated by the amount of advances made in the last year for which the accounts may be complete, except in cases where a change of circumstances may render it advisable to add to or to diminish that amount. A reserve of 10 per cent. to be paid as a balance on the final adjustment of the account with each department, will be sufficient to meet the ordinary fluctuations of the service.

Commissioners of Audit to report quarterly the sums to be repaid upon account, out of Miscellaneous Votes.

59. Similar transfers should be made on account of advances from the Commissariat Chests abroad for services provided for in the Miscellaneous Estimates; and my Lords desire that the Commissioners of Audit will report to them every quarter the sums which it may be proper to transfer to the credit of the Commissariat Chest Account in the Paymaster-general's books, according to the principle laid down above. These transfers may be confined to the principal services in the Miscellaneous Estimates for which such advances are made.

Acceptance of Treasury Bills.

60. The bills drawn by the officers in charge of the Commissariat at the several stations abroad, for the supply of the Commissariat Chests, have hitherto been accepted by the Assistant Secretary of this Board, payable on the account of the Paymaster-general at the Bank of England, and advice lists of such bills have been sent to the Paymaster-general and to the Commissioners of Audit. My Lords are of opinion that such bills should continue to be drawn upon them; but as all other bills of exchange payable on the Paymaster-general's account at the Bank, with the exception of a particular class of navy bills, are accepted in his office, they consider that the Commissaries' bills should also be accepted by him, on a general authority to be given to him by this Board. My Lords are therefore pleased to direct that from and after the commencement of the ensuing financial year all Treasury bills shall be examined and accepted by the Paymaster-general. The letters of advice to be transmitted to this Board by the Commissaries will be forwarded to the Paymaster-general, who will be held responsible for seeing that the bills have been drawn in conformity with the directions of their Lordships, as laid down in the Commissariat Regulations, articles Nos. 199 to 209; and he will accept and pay the same, returning the several drawers as imprest accountants to the Audit Board. All such payments will be allowed in his accounts, on his producing to the Commissioners of Audit regular bills paid by the Bank of England, and lists of accepted bills confirmed by this Board.

Authorities for payment of other Commissariat Chest Services.

61. All other payments out of the moneys applicable to the service of the Commissariat Chests will be made in pursuance of special orders communicated to the Paymaster-general by letters from this Board; some of these payments will be of the nature of advances, and others will be merely repayments on account of sums deposited in the chests abroad.

An amended Royal Warrant will be obtained.

62. As the Royal Warrant under which my Lords are empowered to authorise the application of the funds of the Commissariat Chest Account was originally framed with reference to the fund created by the annual Votes for the extraordinaries of the army, which have been discontinued since 1832, and as it is not properly applicable to the Commissariat Chest Account, which consists entirely of temporary transactions involving no final appropriation of public money, my Lords will cause an amended warrant to be submitted to Her Majesty to authorise the Paymaster-general to apply the sums which may come into his hands for the service of the Commissariat Chests, in pursuance of orders to be issued to him, from time to time, under the directions of this Board. My Lords consider that this warrant should expressly direct that the moneys so received by the Paymaster-general shall be applied only to payments of the nature of temporary advances and repayments connected with the service of the Commissariat Chests, and that such payments shall in no case be finally charged upon the funds of the Commissariat Chest Account.

Navy Effective Services —Authorities for payments.

63. The authorities for payment on account of effective naval services are mostly settled by statute. The Act for consolidating the civil departments of the navy (2 Will. 4, c. 40, s. 8) enacts, that all bills for the payment of money, all allotment bills, and all remittance bills, shall be made out and signed by the Accountant-general of the Navy, or by an officer to be for that purpose appointed by the Lords of the Admiralty, and shall be in such form, and countersigned and approved in such manner, as the said Commissioners shall from time to time order or establish. The same clause directs, moreover, that all bills of exchange shall be drawn upon the Accountant-general at three days' sight, and that they shall be accepted by him or by such officer as aforesaid; and that such acceptances shall be countersigned and approved in the manner above described; and that all such bills so countersigned and approved shall, when paid by the Paymaster-general, be deemed good and sufficient vouchers for such payments on the passing of his accounts.

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64. The Act 11 Geo. 4, c. 20, contains various provisions relating to the payment of seamen's wages, half-pay, and pensions, which affect the business of payment conducted at the branch pay offices at the outports. The Paymaster-general will be careful to instruct his pay clerks at the ports to observe all the provisions of that or any other Act of Parliament, as well as all regulations established by Orders in Council, or other competent authority, in relation to the payment of the navy, or any other service jointly conducted by the Pay and Admiralty establishments at the ports.

Acts of Parliament, Orders in Council, &c. relating to Naval payments to be duly attended to.

65. Some effective services of the navy (the salaries of the establishments in London and those of the dockyards) are paid upon collective orders or lists, and the claimants give receipts in discharge of the sums paid to them. All such authorities are to be signed, approved, and countersigned in the manner prescribed by the Act 2 Will. 4, c. 40, in the case of bills.

Navy Effective Services—Payments on collective orders.

66. The authorities for the payment of the non-effective services of the navy will be communicated to the Paymaster-general by warrants under the signatures of two Lords of the Admiralty. It has hitherto been the practice, under the authority of their Lordships' minute of the 19th August 1836, to renew the authorities for all navy non-effective services paid by the Paymaster-general every third year. The Paymaster-general having reported to my Lords that he does not require a renewal of the authorities once given to him for the payment of such services, they desire that the Commissioners of Audit will consider whether arrangements may not be made, in their department, to relieve the Admiralty from the labour of periodically renewing these voluminous lists.

Navy Non-effective Services—Authorities for payments.

67. The payment of the Greenwich out-pensions having been transferred from the department of the Paymaster-general to that of the Secretary-at-War, in accordance with the provisions of the Act 9 Vict. c. 10, the advances to the staff officers of pensioners, through whom the pensions are paid in detail, will be made under orders to be issued by the Secretary-at-War; but the Admiralty will authorise the Paymaster-general to transfer, from the Vote in the Navy Estimates applicable to this service to the credit of the Secretary-at-War, such sums as will enable the latter to meet all demands to be made upon him from time to time for this service, without drawing upon the votes for army services.

Transfers from the sums voted for Greenwich out-pensions.

68. The payments to commissioned officers on the Greenwich out-pension list will, however, continue to be made by the Paymaster-general, who will receive from time to time from the Secretary-at-War the requisite authorities for that purpose. These payments will be made out of the funds transferred from the Naval Vote to the credit of the Secretary-at-War, as already explained.

Pensions of Commissioned Officers on the Greenwich out-pension list to be paid by the Paymaster-general.

69. The payments for naval prize services will be made under authorities similar to those prescribed by the Act 2 Will. 4, c. 40, s. 8, for navy effective services; and the Paymaster-general will be careful to keep a separate and distinct account in his books of all moneys received and paid for this service, as required by the Act 11 & 12 Vict. c. 55.

Naval Prize—Authorities for payments.

70. The authorities for the payment of Ordnance effective services, called, in the technical language of the Ordnance department, debentures, imprests, and quarter books, are similar in form to those adopted for naval payments; the debentures and imprests being bills, and the quarter books salary lists. The navy bills being exempt from stamp duty, are delivered or sent to the claimants, who pay them to their bankers, or negotiate them in the ordinary course of business. The Ordnance orders cannot, however, be used as negotiable documents, as they are simply orders for payment, and as a stamped receipt is required from the party in whose favour they are made out; thus contractors and other claimants are under the necessity of attending personally at the pay-office in those cases in which bills of exchange are not used. The orders for payment emanating from the Board of Ordnance are to be signed, approved, and countersigned, as directed by the letter of this Board, dated the 20th August 1838; that is to say, by one Board officer, the secretary, and one chief clerk. The clerk of the Ordnance, or his chief clerk, is to be always one of the signing parties; but the chief clerk of a branch is never to sign when his principal the Board officer signs.

Ordnance Effective Services—Authorities for payments.

71. The Paymaster-general has called the attention of their Lordships to a variation of practice, in regard to a numerous class of payments for Ordnance services, as compared with the payment of similar services in the naval department. It appears that it is the practice of the Ordnance department to require the persons belonging to their different establishments at home and abroad to draw separate bills on the Paymaster-general for their salaries and allowances; whilst in the naval service such charges are paid on the spot by the local imprest accountants of the department. As the practice pursued by the Ordnance department creates much additional labour in both offices, and is by no means so desirable or convenient to the claimants themselves, particularly to the claimants belonging to establishments abroad, who, my Lords are given to understand, are by this practice placed under the necessity of employing agents in this country, my Lords request that steps may be taken for paying all such parties through the local accountants of the establishments to which they belong.

Salaries of Ordnance Establishments at Home and Abroad to be paid by local accountants.

72. The non-effective services of the Ordnance are to be paid on warrants signed, approved, and countersigned in the manner prescribed for Ordnance effective services. My Lords are of opinion that the general lists of claimants on the several Ordnance non-effective establishments, which have hitherto been renewed every three years, should be considered

Ordnance Non-effective Services—Authorities for payments.

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considered permanent authorities, as already suggested, with respect to similar documents prepared in the War Office and Admiralty.

Ordnance payments for other departments.

73. There is one class of payments made by the Paymaster-general on account of the Ordnance Department, which appears to require special authority. That department is frequently employed in procuring supplies, or in executing works for other departments of Government, the East India Company, and the colonies. Payment for such supplies and works has hitherto been made, in the first instance, by the Paymaster-general, out of the general funds at the disposal of the Board of Ordnance, and the amount of such advances has been subsequently recovered from the proper department. The delay which takes place in the recovery of advances of this description, leaves constantly a large outstanding debt due to the Ordnance Grants, the amount of which reduces, for the time, the balance of grants available for the current service of the Ordnance Department.

Inconvenience of employing Ordnance Funds for the purpose.

74. So long as the Board of Ordnance was enabled to provide surplus funds, by including in their votes various services not payable till after the termination of the year, no inconvenience was likely to be felt from the temporary use of a portion of the Ordnance Grants in payment of such advances. As, however, the tendency of all the regulations established of late years, both by Parliament and by this Board, has been to restrict the amount of funds at the disposal of the executive departments, the temporary employment of any considerable amount of the Ordnance Grants, in payment of supplies for other departments, may be productive of great inconvenience to the Ordnance Service towards the close of the financial year, when there may not be a surplus of grants beyond the current demands sufficient to cover the amount of such advances.

Opinion of Commissioners of Inquiry in 1844.

75. The attention of their Lordships was called to this subject, in 1844, by the Committee of Inquiry into the system of Account and Audit in the Ordnance Department. The Commissioners pointed out, in their Fourth Report, that if their recommendation respecting the principle of voting the Estimates "for Services to be paid within the year," should be adopted, it would deprive the Ordnance Department of those means of making advances for other departments which the existing arrangements afforded them. The principle of preparing the annual Estimates on a calculation of the sums necessary to defray the charges to be paid during the year, was adopted by the Naval and Military Departments, commencing with the Estimates for the year 1846–7, in pursuance of the directions contained in the Minute of this Board, dated the 13th January 1846.

Expenses incurred by the Board of Ordnance for other departments to be defrayed out of funds supplied by such departments.

76. My Lords are sensible that it is for the advantage of the public service that the Board of Ordnance should continue to be employed in executing such services for other departments of Government as can be more economically conducted by that Board; but as every department is understood not to incur expenses which have not been previously provided for by Parliament, there can be no difficulty, when any department requires the aid of the Board of Ordnance in executing a service, the expense of which is to be charged against such department, in placing at the disposal of the Board of Ordnance a sufficient sum to defray the cost of the work or supply intrusted to that Board. My Lords desire, therefore, that this arrangement may, as far as practicable, be acted upon in future, as my Lords consider it important that advances out of the grants of Parliament for services not finally chargeable on such grants, should be limited to cases of indispensable necessity, and to which the previous sanction of this Board shall have been obtained.

77. My Lords proceed now to consider the further instructions which it is necessary to issue to the Paymaster-general, in reference to the duties to be transferred to his superintendence, on the abolition of the offices of the Paymaster of Civil Services and the Paymasters of Exchequer Bills.

Payments transferred from the Office of the Paymaster of Civil Services.

78. The payments transferred from the office of the Paymaster of Civil Services being of a more varied character than those which are made by the Paymaster-general for Naval and Military Services, and not being subject to the same authorities and rules, my Lords deem it right to accompany their instructions with such remarks as may serve to explain the nature of the services to which these payments relate.

79. The Civil Service payments may be divided into two heads; the first embracing expenses charged, in pursuance of various Acts of Parliament, upon the Consolidated Fund; the second embracing those charges which are the subject of annual votes in Supply, founded on the various Estimates for Miscellaneous Services.

Charges on the Consolidated Fund.

80. The charges on the Consolidated Fund, heretofore paid by the Paymaster of Civil Services, consist of—

1st. The Civil List.
2d. Annuities and Pensions.
3d. Salaries and Allowances.
4th. Diplomatic Services.
5th. Courts of Justice.
6th. Miscellaneous Charges on Consolidated Fund.
7th. Advances charged on the growing produce of the Consolidated Fund.

For all these Services the credits will, in future, be granted by the Comptroller-general of the Exchequer upon Treasury Warrants, in the manner prescribed in the preceding part of this Minute.

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81. The various payments for the Civil List will be made by the Paymaster-general, under authorities similar to those which have hitherto been acted upon in the Office of the Paymaster of Civil Services.

Civil List payments.

82. Under Annuities and Pensions are comprised the grants to the several members of the Royal Family, pensions for naval and military, civil and judicial services, charged on the Consolidated Fund by various Acts of Parliament; also pensions to the servants of their late Majesties King Geo. 3 (per Act 1 Geo. 4, c. 108), and Queen Charlotte (per Act 59 Geo. 3, c. 22), and Queen Caroline (per Act 3 Geo. 4, c. 90); also to officers of the late Levant Company (per Act 6 Geo. 4, c. 33), to officers of the late African Company (per Act 1 & 2 Geo. 4, c. 28), to late lottery officers (per Act 4 Geo. 4, c. 60), Exchequer compensations (per Act 4 Will. 4, c. 15), and pensions formerly paid out of the Civil List, Hereditary Revenues of Scotland, and Four-and-a-half per cent. Duties, granted by Royal Warrant of 10th November 1838, and charged upon the Consolidated Fund, per Act 2 & 3 Will. 4, c. 116.

Annuities and pensions.

83. The pensions granted to the great officers of State, under the Acts 57 Geo. 3, c. 65, and 4 & 5 Will. 4, c. 24, are payable under the special restrictions imposed by those Acts; but nearly all the others are payable without conditions, proof of life only being required.

Conditions on which payable.

84. The books or lists upon which these annuities and pensions have hitherto been paid in the office of the Paymaster of Civil Services, will be transferred to the Paymaster-general, that he may henceforth pay the parties the sums which may become due to them from time to time. In these books and lists information is afforded as to the tenure of the several grants, and the terms and conditions on which they have respectively been made; also whether the same are payable to the grantees, their assigns, or attorneys duly authorised to give legal acquittances for them.

Pension Books of Paymaster of Civil Services to be transferred to Paymaster-general.

85. The payment of these annuities and pensions will be duly authorised by their Lordships, either by permanent or special orders, to be communicated to the Paymaster-general by letters from this Board.

The payment of annuities, &c. will be authorised by Treasury Letters.

86. The head of "Salaries and Allowances" includes various charges for salaries and contingencies; also the salary of the Speaker of the House of Commons, that of the Comptroller-general of the Exchequer, and various other individual salaries. It embraces, moreover, the salaries of the ecclesiastical establishments in the West Indies, and a few compensation allowances and other payments.

Salaries and allowances.

87. The sums payable in detail in this country to the several parties entitled to such salaries, and the advances to be made by way of imprest, will be authorised by special authorities from this Board, in the usual form. The amount payable on account of each diocese of the ecclesiastical establishment in the West Indies will be communicated to the Paymaster-general, and bills of exchange will be drawn by the several parties for their quarterly salaries, which are to be countersigned by the bishop of the diocese, or in his absence by his vicar-general. The archdeacon at the Bahamas is to be paid quarterly, on the production of a certificate from the governor of the Bahamas, that he has resided and duly performed the duties of archdeacon during the quarter. The Paymaster-general will be careful not to pay the salaries of any of the claimants referred to, during their absence from their diocese, without special authority from this Board. The salaries of the Commissioners of Lunacy will only be payable on production of a declaration embracing the conditions pointed out in the 3d section of the Act 8 & 9 Vict., c. 100.

Payments to be made on special authorities.

88. Under Diplomatic Services are included both the salaries of ministers at Foreign courts, and the pensions of persons who have filled diplomatic situations abroad. The payment of the salaries will be authorised by a quarterly letter from this Board, founded on a statement furnished by the Foreign Office to their Lordships, showing the separate salaries payable to the several ministers and other persons composing the diplomatic corps. Such payments, however, are not to be made by the Paymaster-general, until certificates from the Foreign Office shall have been produced to him, showing that the parties whose names are set forth in such quarterly statement were in the performance of their duties, or absent on leave, during the period to which the statement refers. Quarterly authorities will be sent to the Paymaster-general, sanctioning the payment of the amounts due to the several parties entitled to pensions, according to the particulars in the list transferred to him by the Paymaster of Civil Services. They will be required to "declare that they are entitled to a pension of *l.* per annum as late minister abroad, under the authority of the Act 2 & 3 Will. 4, c. 116, and that they have not been appointed to any office of profit under the Crown during the quarter."

Diplomatic Services.

89. The class of payments included under "Courts of Justice," embraces the salaries of the judges, officers, and others belonging to the several courts, and the pensions or compensations for offices abolished by Act of Parliament. The greater part of these charges will be payable on proof of life only; in other cases, the claimants will be required to produce declarations to entitle them to payment. The late pipe officers, whose offices were abolished by Act 3 & 4 Will. 4, c. 99, will be required to declare, quarterly, that they have not been appointed to any office under the Crown, in the United Kingdom or the colonies, during the period for which the allowance may be claimed. The officers of the Welsh Judicature, whose offices were abolished by Act 1 Will. 4, c. 70, will also be required to declare quarterly

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terly that, during the period for which the allowance may be claimed by them as compensation for the loss of their office, as abolished by the above Act, they have not been appointed to any other public office of emolument. My Lords will transmit to the Paymaster-general, quarterly lists or authorities, verified in the usual form, to enable him to make the various payments included under this head.

Miscellaneous charges on the Consolidated Fund.

90. The head of "Miscellaneous Charges" embraces the charge for the interest and sinking fund of the Russian Dutch, and Greek loans, bounties for the capture of slavers by Her Majesty's ships, secret service, compensation for loss of duties on coinage of tin, compensation to parties for loss of office on the abolition of the duties on tin, and other payments of a miscellaneous character. For these services the Paymaster-general will receive authorities for payment, by letters addressed to him by directions of this Board.

Advances out of the growing produce of the Consolidated Fund.

91. Payments will also be made by the Paymaster-general under the head of "Advances out of the growing Produce of the Consolidated Fund." Every issue of this description will be specially authorised by their Lordships, and will be communicated to the Paymaster-general, by letters in which the conditions to be observed by the parties who may receive such issues will be described.

Entries of assignments, powers of attorney, &c. in the books of the Paymaster of Civil Services to be recognised by the Paymaster-general.

92. With respect to the foregoing salaries, pensions, and allowances, heretofore paid by the Paymaster of Civil Services, and to be issued in future to the several claimants by the Paymaster-general, which have been received under deeds of assignment, powers of attorney, or other legal instrument, my Lords desire that such payments may continue to be made on the same authorities; and the Paymaster-general will receive as evidence of the existence of such assignments, powers of attorney, or other legal document, where the originals may not be transferred to him, the usual record of such instruments in the books of the Paymaster of Civil Services.

Quarterly Returns of deaths, &c. to be transmitted to Treasury.

93. My Lords desire that the Paymaster-general will transmit to them, 10 days before the termination of every quarter, a statement of the deaths of persons entitled to pensions on any of the lists paid by him out of the Consolidated Fund, which may have been certified to him during the quarter; also a certificate of the sum required in the ensuing quarter, to pay the pensions continued by Her Majesty's warrant, dated the 10th November 1838.

Payments under the several heads of the Miscellaneous Estimates.

94. The payments heretofore made in the office of the Paymaster of Civil Services, for services included in the Miscellaneous Estimates, will now be made by the Paymaster-general. Where the authorities given to the Paymaster of Civil Services were of a permanent nature they are to be considered as of force and validity in the Paymaster-general's office. In those cases in which it has been customary to issue special orders, my Lords will continue to sanction payments by distinct authorities in each case. There are, however, cases in which payments for salaries, pensions, and other services are made in detail, in some departments out of imprests granted in gross by the Paymaster-general, which it may be found for the advantage of the public service to transfer to the Paymaster-general. They, therefore, desire that the Paymaster-general will, after due inquiry into each particular case, submit to this Board a plan, for transferring to his office the duty of making the detailed payments referred to, commencing with the Superannuations and Retired Allowances included in Class 6 of the Miscellaneous Estimates. For the payment of these non-effective services my Lords will issue permanent orders, directing the allowances to be paid quarterly, until further notice from this Board, on production of the proper documents by the claimants.

Payments out of special funds on the Cash Account.

95. In addition to the services already noticed, various payments have been made by the Paymaster of Civil Services out of funds placed to his cash account for specific purposes. The Paymaster-general will continue to act upon the instructions applicable to each service, which my Lords have, from time to time, issued to the Paymaster of Civil Services; but they desire that he will inquire into each fund embraced in his cash account, and report to them how far the balance remaining at the credit of each is now required to be retained by him, and whether the sums which are not likely to be called for may not be paid over to the Consolidated Fund. He will also report to my Lords such balances of credits created by the Comptroller-general's warrants out of grants of Parliament or charges upon the Consolidated Fund which are not required for the public service, in order that the amount may be repaid to the account of the Exchequer.

Exchequer Bills.

96. The Act 11 & 12 Vict., c. 55, also provides for the transfer to the Paymaster-general of the duties hitherto conducted by the Paymasters of Exchequer Bills. My Lords proceed to furnish detailed explanations and instructions for the guidance of the Paymaster-general, in the performance of these duties.

97. Exchequer bills will be paid off by the Paymaster-general, either by an exchange of new bills for old ones, or by a payment in money.

Exchange of Exchequer Bills to be advertised.

98. The steps to be taken on an exchange of Exchequer Bills are as follows:—The bills due in March and June of each year are to be advertised to be paid off, after the sanction of the Chancellor of the Exchequer shall have been obtained to the rate of interest which the new bills are to bear. The day on which the bills, with the interest due thereon, are to be paid off, and the last day on which such bills will be received for exchange, are to be stated in the advertisement. The advertisement, after having been submitted to and approved by this

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this Board, is to be inserted in the "London Gazette," the "Edinburgh Gazette," and the daily London papers, and the first publication of the advertisement should be about 16 days before the last day for receiving bills for exchange. Copies of the advertisement, according to the Minute of this Board, dated the 18th February 1840, addressed to the late Paymasters of Exchequer Bills, are to be prepared and sent to this Board by the Paymaster-general, that they may be forwarded to the Paymaster of Civil Services in Dublin, with authority to publish the same.

Interest of bills advertised to be reported to Treasury.

99. When the advertisement shall have appeared in the public papers, the Paymaster-general will report to this Board the amount of interest which may be payable on the bills advertised to be exchanged, in order that a Treasury Warrant for the necessary credit to defray the same may be prepared.

Holders may claim to be paid in money.

100. If any holder of Exchequer Bills, after the same shall be advertised to be paid off, should demand to be paid in money, such bills are to be paid accordingly; and the interest saved by prompt payment is to be deducted from the credit to be given under the warrant before referred to.

Bills not presented for exchange may either be paid in money or in new bills at the next exchange.

101. The interest of Exchequer Bills will cease from the date on which they may be advertised to be paid off, and holders neglecting to exchange their bills on the day fixed, may either be paid subsequently in money, or they may have new bills at the next exchange, bearing interest from the date when they may be issued.

Instructions for holders of Exchequer Bills.

102. Lists containing instructions for the guidance of the holders of Exchequer Bills in arranging bills left for payment or exchange, are to be delivered to holders who may apply for them. Parties presenting bills are to comply strictly with the instructions for making out the lists, memoranda, &c. especially with the directions requiring that bills granted under different Acts should be kept in separate lists, and that the bills last advertised should not be mixed with overdue bills. Care is to be taken also that every bill is endorsed by the party in whose name it is presented, and by any party to whom it may have been specially endorsed.

Holders leaving bills for exchange or payment to receive an acknowledgment.

103. Every person leaving Exchequer Bills for payment or exchange is to receive an acknowledgment of the bills left by him, signed by one of the chief clerks in the Paymaster-general's Department, who will see that the list left by the claimant has been duly examined and compared with the bills.

Bills to be counterfoiled and cancelled.

104. Exchequer Bills left for examination are to be compared with the counterfoils, and a pen is to be drawn through the Comptroller-general's signature; this examination having been carefully completed, the bills are to be cancelled by punching a hole through the centre of them.

Statement of new bills required to be sent to the Exchequer.

105. After the examination of the bills, and of the lists, shall have been completed, a statement of the new bills required from the Exchequer is to be prepared, and information is to be sent to the Issue Department of the Exchequer as early as possible after the number of new bills of each description shall have been correctly ascertained, and the amount thereof shall have been proved by the amount of old bills delivered in for exchange.

New bills to be prepared for delivery to claimants.

106. On receipt of the new bills from the Exchequer, they are to be sorted and prepared for delivery to the respective claimants, in accordance with the lists applicable to each.

Entries in books of record and account.

107. All the necessary entries in the Books of Record and Account are to be then completed. My Lords do not think it necessary to prescribe the number or form of the books in which the Paymaster-general is to record the exchange or payment of Exchequer Bills, as they ought to be framed in such a manner as to conform to the plan upon which his general accounts will be kept; but they desire that he will keep in view the necessity of establishing an easy and certain reference to every bill received or given out, so as to ascertain, if necessary, the party from whom any bill may have been received, or the party to whom any bill may have been delivered.

Payment of Exchequer Bills in money.

108. When Exchequer Bills are to be paid in money, they are to be left at the Paymaster-general's office for examination, and payment of principal and interest is to be made on the following day. Such payments will be made out of Exchequer Credits granted for the purpose. In other respects, the rules to be observed will be similar to those laid down for the regulation of the exchange of bills.

Payment of West India relief bills.

109. With respect to West India Relief Bills, it will be necessary that the Paymaster-general should apply to this Board about 10 days before the quarter-day on which the principal may become due, for an Exchequer Credit for the amount required to pay the same, together with the interest due thereon. All bills of this description which are at present outstanding are held by the Commissioners for the Reduction of the National Debt on account of savings banks, and they will be finally cleared off by the payments to be made on the 5th January and 5th April 1849.

Principal of Exchequer Bills paid off in the year not to exceed the Exchequer credit.

110. The Paymaster-general will take care that the amount applied in the payment of the principal of Exchequer Bills in each year ending 5th January, shall not exceed the amount of the Exchequer Credits granted for the purpose.

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Course pursued in paying of deficiency bills.

111. When any sum of money shall have been set apart in the Exchequer, out of the growing produce of the Consolidated Fund, for paying off the Deficiency Bills which may have been issued under the authority of the Act 57 Geo. 3, c. 48, notice of the amount will be communicated to the Paymaster-general by the Exchequer. Upon receipt of this notice, the Paymaster-general will cause a statement to be sent to the Bank, describing the bills to be paid off, and the amount thereof. On the following day, the Bank will send the bills to the Paymaster-general to be counterfoiled, cancelled and paid. Such bills are, in all instances, to be endorsed by one of the Cashiers of the Bank of England.

Deficiency bills purchased on account of the Sinking Fund to be cancelled.

112. Whenever the Commissioners for the Reduction of the National Debt shall purchase Exchequer Bills, the bills will be endorsed by one of the cashiers of the Bank of England, and by the Comptroller-general of the National Debt Office, and sent to the Paymaster-general to be cancelled. A certificate of the amount cancelled is to be prepared in triplicate, one copy of which is to be sent to this Board, a second to the Bank or Comptroller-general of the National Debt Office, and the third to the Comptroller-general of the Exchequer.

Weekly return of bills paid off to be sent to the Exchequer.

113. The Paymaster-general is to transmit to the Comptroller-general of the Exchequer, on every Saturday, a statement of the Exchequer Bills of each description paid off and cancelled in the week. He will also transmit, in like manner, a similar statement or certificate on the several quarter-days, 5th January, 5th April, 5th July and 10th October, for any broken portion of a week up to such quarter-days.

Annual return of "over-due" bills.

114. The Paymaster-general will also prepare on the 5th January of every year an account of over-due bills at that date, one copy of which is to be transmitted to the Comptroller-general of the Exchequer, and the other to this Board.

Instructions as to receipt and return of counterfoils.

115. The following rules are to be observed in regard to the receipt and return of the counterfoils.

116. The counterfoils will be sent by the Comptroller-general of the Exchequer to the Paymaster-general within one week after the issue of the bills.

117. After the annual account of the Paymaster-general shall have been declared by the Commissioners of Audit, the counterfoils of the bills cancelled and discharged within the period of the account, are to be returned to the Comptroller-general of the Exchequer, to be destroyed, under the authority of a Treasury Warrant. Care should be taken, however, to retain the counterfoils of those bills, included in the series, which may not have been discharged within the period of the account. The counterfoils of any lost Exchequer Bills should also be preserved by the Paymaster-general, to afford the means of verifying such bills in the event of their subsequent appearance.

118. If the counterfoil of an outstanding Exchequer Bill should be inadvertently destroyed, the bills, on being presented for payment, are to be sent to the Comptroller-general of the Exchequer for such verification as may be practicable; every such case being reported by the Paymaster-general to this Board.

119. The counterfoils are to be compared with the list of outstanding bills before the counterfoil books are returned to the Exchequer.

Bills to be compared with counterfoils at the request of holders.

120. If the holder of any Exchequer Bill should desire to ascertain the genuineness of the bill, by a comparison thereof with the counterfoil, the Paymaster-general will cause the comparison to be made, on application being made to him, in accordance with the directions given in the Minute of this Board of the 14th December 1842, and a record of such comparison is to be kept; but no mark or notation is to be made on the bill.

Proceedings relative to lost Exchequer Bills.

121. The proceedings relative to lost Exchequer Bills are regulated by the Act 48 Geo. 3, c. 1, s. 18. This Act requires that a person who may have lost an Exchequer Bill shall make affidavit of his loss before a Baron of the Court of Exchequer, who, if satisfied of the truth of the circumstances attested, is to grant a certificate to that effect. The Act further provides that in every such case the Commissioners of the Treasury are thereby authorised to cause the money due upon such bill or bills so lost, burnt, or destroyed, to be satisfied by the Paymasters of Exchequer Bills, as if the original bill or bills were brought in to be paid off. Immediate notice of the loss of an Exchequer Bill should be given to the Paymaster-general, that the proper notations may be made in the register of bills in his office, and upon the counterfoil of the bill. An application, supported by the affidavit, is then to be made to this Board, to authorise the Paymaster-general to pay the amount of the lost bill to the party, on his providing proper security. The necessary proceedings will then be directed by their Lordships.

122. When the half of an Exchequer Bill may be lost, similar steps are to be taken for the recovery of the amount. The 8th section of the Act above referred to also makes provision for cases of defaced Exchequer Bills.

To be paid in money in certain cases.

123. When the loss of an Exchequer Bill occurs immediately before a payment, when it becomes due, and there is not time to execute the bond before the exchange takes place, it is not desirable to provide for the payment of the lost bill by the issue of a new one, as in the event of the party failing to procure the required security, a superfluous Exchequer Bill would be provided. It is therefore the desire of their Lordships that in all such cases, and as far as practicable,

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practicable, in all other instances of lost bills, the payment may be made in money, after the sanction of this Board shall have been given for the payment of the amount of the lost bill.

Authorities under which payment of lost bills can be stopped.

124. Payment of a lost bill can only be stopped by an injunction of the Court of Chancery, or by the authority of this Board upon special indemnity being given.

Instructions relative to Supply Bills sent from Ireland.

125. The course to be followed in regard to Supply Bills sent from Ireland is as follows:—

Each bank presenting bills to the Paymaster of Civil Services in Ireland for exchange is to make out and deliver to him a list thereof, in strict conformity with the minutes of this Board, dated the 18th and 28th of February 1840, regulating the exchange of bills in Ireland. Each bank is also to deliver to the Paymaster of Civil Services in Ireland a memorandum or abstract of the amount of the bills left for exchange, and of the interest due thereon; this abstract is to be retained by the Paymaster of Civil Services. It is also to be accompanied by sub-memoranda for smaller amounts, but representing in the aggregate the general amount of each claim. These memoranda are to be be signed by the Paymaster of Civil Services and delivered to the depositors.

Bills to be forwarded to the Paymaster-general to be exchanged for new bills.

126. The Paymaster of Civil Services in Dublin will then forward these bills, &c., to the Paymaster-general for examination and exchange in the usual course. After the bills shall have been examined, and new bills obtained, the Paymaster-general will send the new bills to the Paymaster of Civil Services in Dublin, taking care to fill in the name of the latter as payee. He will also place to the account of the Paymaster of Civil Services in Ireland the amount of interest due upon the bills exchanged.

Paymaster of Civil Services in Ireland to deliver the new bills and pay the interest.

127. When the day for the delivery of new bills shall have arrived, each bank must return the sub-memoranda making together the amount of their respective claims, to the Paymaster of Civil Services in Dublin, who, after completing the examination of their respective claims, will deliver to each bank the new bills and the interest due upon those exchanged.

The arrangement only applicable to Exchequer Bills held by bankers in Ireland.

128. This arrangement is to be considered applicable only to bills held by bankers in Ireland, for the purpose of effecting their mutual banking operations. With regard to any other bills not held by bankers, and with regard to any part of the routine of exchange not affected by these directions, the Paymaster-general will be governed by the regulations contained in their Lordships' Minutes of the 18th and 28th of February 1840.

Paymaster-general to establish checks upon the accuracy of demands for new bills.

129. Before my Lords conclude the instructions applicable to the duty of paying off Exchequer Bills, they are desirous of calling the attention of the Paymaster-general to two points, in regard to which it will be his duty to provide the most ample security for the due execution of the trust confided to his department. The first relates to the periodical applications to be made to the Exchequer for new bills to pay off those left for exchange. These applications will generally be for a supply of bills amounting to nine or ten millions sterling, and the most effectual checks are to be established to guard against the possibility of a demand being made on the Exchequer for a larger amount of new bills than may be required to pay off the old bills left for exchange.

Custody of new bills.

130. The second point relates to the safe custody of so large an amount of bills, during the interval of their being received from the Exchequer and of their being delivered to the depositors. My Lords desire that they may be kept in an iron chest with three distinct locks, the keys of which are to be given to three principal officers of the department, one of whom shall be the Paymaster-general, or Assistant Paymaster-general, so that access to the chest on such occasions may not be permitted to less than three authorised persons at once.

Modes of payment to be adopted by the Paymaster-general.

131. My Lords have now completed the detailed directions which they consider that it is necessary to issue to the Paymaster-general on the subject of the authorities under which he will be required to issue the public money for the various services placed under his care of payment. It appears desirable to add a few brief instructions in regard to the modes of payment to be adopted by him.

132. These are in some cases settled by the departments from which the authorities for payment emanate; in others they are prescribed by statute; and in many the Paymaster-general determines the mode of payment with reference to the convenience of the claimant and the security of the public.

Modes of paying Effective Services.

133. For the Effective Services of the Army, Navy, and Ordnance, and for many of the services authorised by this Board, the mode of payment is determined by the form of the authority, which either requires the issue to be made to the claimant or his attorney, or to the order of the party, upon a negotiable bill of exchange. In the Naval Department, the orders for payment issued upon the Paymaster-general by the Accountant-general of the Navy, being transferable, are payable to the last holder.

134. Payments to claimants or their assigns, and the payment of bills at sight, are to be made either by cheques to bearer, payable on the drawing account of the Paymaster-general at the Bank, or in office cash, according to the regulations prescribed in a preceding part of this Minute. Negotiable bills of exchange will be accepted, payable on the bill account of the Paymaster-general at the Bank. But where claimants have accounts opened at the Bank of England, the payments are, in all practicable cases, to be made by a write-off or transfer order, in preference to a cheque payable to bearer. My Lords have already directed,

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directed, in a former part of this Minute, that in cases where a payment is to be made by the Paymaster-general to the account of any department for which he holds a balance, the transaction is not to be passed through his accounts at the Bank, but that it is to be settled by a transfer in his own books.

Modes of paying Naval Non-effective Services.

135. The modes of payment to be adopted for non-effective services are, in many cases, regulated by special provisions contained in Acts of Parliament. The Act 11 Geo. 4, c. 20, s. 42 (1830), provides that any officer of the navy or marines entitled to half-pay or pension, or any person entitled to a compassionate allowance, bounty, or pension, shall be at liberty, whenever he or she shall think fit, to receive the same by a remittance bill, drawn on any collector of the revenue in the United Kingdom. The 46th section of the same Act provides that commissioned and warrant officers of the navy shall be entitled to draw their half-pay and pensions by bills of exchange, and that the widows of such officers shall be entitled to receive their pensions in like manner; and that if they shall be residing near any of the dock-yards where there shall be a clerk of the Paymaster-general authorised to pay wages, they shall be entitled to be paid upon lists or extracts to be prepared and transmitted to such clerk for that purpose. The same clause provides that no person residing out of Her Majesty's dominions shall be entitled to the benefit of payment of half-pay or pension, either by bill of exchange, extract, or remittance.

Naval non-effective allowances not to be paid upon assignments.

136. The 47th clause of the same Act provides that payment of growing half-pay and pensions of the navy shall not be made upon any assignment, sale or contract, which are declared to be null and void. By the 54th clause of that Act, wages, pay, and other allowances actually due may be assigned and paid under the restrictions imposed by the clause.

137. Under the Act 2 Will. 4, c. 40, s. 16 (1832), the payment of half-pay and pensions by the mode called "Extract," was extended to officers of the Royal Marines and their widows.

Modes of payment for Army Non-effective Services.

138. The modes of payment by remittance bill and by bill of exchange as regards the half pay pensions and allowances of the army, are regulated by the Act 2 & 3 Will. 4, c. 106 (1832). This Act contains a special clause, directing that persons residing out of Her Majesty's dominions shall not be entitled to the privilege and benefit of being so paid.

The regulations prescribed by Acts of Parliament incomplete.

139. The regulations prescribed by the Acts before quoted are far from being complete. It appears that in both the navy and army departments there are classes to which the provisions of the Acts in question do not extend, while there is no Act applicable to similar payments for the Ordnance Department. My Lords are of opinion, however, that it is proper that the Paymaster-general should be guided by the spirit of the enactments referred to, in his payments for all non-effective services under his control, and that uniformity of practice should, as far as possible, be applied to all services of a similar nature.

The appearance of the claimant before the paying officer is preferable.

140. However convenient the mode of payment by bill of exchange may be under certain circumstances, my Lords are nevertheless of opinion that, as a general rule, in the payment of non-effective services, that mode of payment is to be preferred which requires the claimant to appear personally before the officer who pays him. The Act 11 Geo. 4, c. 20, s. 44, requires that claimants paid by remittance bills through the collectors of the revenue, or by the Paymaster-general's clerks at the ports, shall appear personally before such officers, except in cases of bodily infirmity, which are to be certified as required by the Act. The clause provides, moreover, that in case the officer of the revenue, the clerk of the Paymaster-general, or other person whose duty it shall be to make the payment on any remittance bill, shall entertain any doubt as to the identity of the party, the authenticity of the vouchers produced, or his or her title to receive payment, such officer, clerk, or other person, shall inquire into the same by the declaration of the party so applying, which declaration such paying officer is authorised to administer for that purpose. The mode of payment by bill of exchange does not appear to afford the same security as where the party is compelled to appear before a Government officer to be paid, and, if necessary, to be examined as to his identity. It is, therefore, desirable that it should not be unduly extended, and that it should be avoided, as far as possible, in the payment of those classes of pensioners who can be more easily personated.

Payment of non-effective allowances by Admiralty storekeepers.

Payment to non-effective claimants resident in the colonies and Germany.

141. Naval non-effective services are paid by the Imprest Accountants of the Admiralty stationed at Deptford, Woolwich, and Pembroke, upon lists prepared by the Paymaster-general, and transmitted by him to the Admiralty every quarter. Such payments are subsequently examined and recorded in the office of the Paymaster-general. Non-effective services for the army, navy, and ordnance, are also paid in the colonies by the officers in charge of the Commissariat, upon instructions prepared by the Paymaster-general and transmitted to them through this Board. These payments are repaid by the Paymaster-general to the Commissariat Chest on claims sent to him by the Audit Board. Officers belonging to foreign corps formerly in the pay of Great Britain, who are resident in Germany, are paid through the Paymaster-general's branch establishment at Hanover, in accordance with the instructions of this Board, dated the 28th April, 23d May, and 20th September, 1837. In all cases in which non-effective services are paid through the medium of officers not on the establishment of the Paymaster-general, such as payments by Imprest Accountants of the Admiralty, collectors of customs, excise, and cess, and by commissariat officers in the colonies, the responsibility for the accuracy of the sums payable is to rest with the Paymaster-general.

142. In

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142. In the Minute of this Board, dated the 19th August 1836, regulating the duties of the office of Her Majesty's Paymaster-general, my Lords recorded their opinion that the Revenue Boards should be directed to instruct all their collectors to transmit to them their claims for advances made on account of half-pay, and other non-effective charges, once in every fortnight, in order that they might apply at the end of every fortnight to the Paymaster general for repayment of such advances. As it appears that this direction would be very inconvenient to the collectors, and as the 39th section of the Act 11 Geo. 4, c. 20, and the 21st section of the Act 2 Will. 4, c. 20, expressly direct that the repayments to the Revenue Boards for advances on account of naval services, shall be made "at the expiration of every three calendar months, but not oftener," my Lords desire that the repayments for all services may follow the rule laid down in the Acts quoted.

Repayments to the Revenue Boards.

143. Numerous payments are made by the Paymaster-general on powers of attorney. These authorities, whether executed at sea or otherwise, are to be duly stamped before they are acted upon by the Paymaster-general.

Payments on powers of attorney.

144. By the 48th section of the Act 11 Geo. 4, c. 20, very detailed provisions are enacted with respect to the conditions and execution of letters of attorney to be granted by a petty officer or seaman, by a non-commissioned officer of marines, or by a marine, or by the widow, next of kin, executors or administrators of any such person, and such documents are required to be examined by the Inspector of Wills at the Admiralty before they can be acted upon. The Paymaster-general will accept, in lieu of such letters of attorney, a cheque signed by the Inspector of Seamen's Wills, &c., prepared in accordance with the provisions of the 51st clause of the same Act, which cheque will be a sufficient authority to the Paymaster-general to pay the attorney.

Provisions of the Act 11 Geo. 4, c. 20, as to the Naval Letters of Attorney.

145. Before the Paymaster-general acts upon any letter of attorney, he requires the party presenting it to have it examined and entered at the Audit Office. My Lords doubt if this form be strictly necessary. The best guarantee against the Paymaster-general paying a wrong party, consists in his liability to indemnify the right claimant. Moreover, the vouchers upon which the payments, in most cases, are made to attorneys, consist of declarations or certificates executed by the claimants themselves, who send them to their agents or attorneys, to be presented for payment. My Lords, therefore, request that the Commissioners of Audit will consider how far the regulation under which all powers of attorney are examined and entered in their office, before they are acted upon by the Paymaster-general, is a necessary check upon that officer, and whether the discontinuance of it would, in any degree, lessen the security of the public.

Necessity for the entry of powers of attorney at the Audit Office to be considered.

146. The Paymaster-general's accounts are to be rendered to the Audit Board monthly, but the results under every head of service are to be carried on, from month to month, to the close of the financial year, so that the account for the month of March shall show the sums received and paid during the whole year, as well as those received and paid during the month. The Assistant Paymaster-general will make the usual declaration to the annual account of the Paymaster-general.

The Paymaster-general's Accounts to be sent to Audit Office monthly.

To be declared to by the Assistant Paymaster-general annually.

147. My Lords desire that the monthly account and vouchers of the Paymaster-general may be delivered to the Commissioners of Audit within six weeks after the expiration of the month for which it may be prepared.

The Accounts to be delivered for Audit within six weeks after every month.

148. The Paymaster-general is required by the Minute of this Board of the 19th August 1836, to take care that the books of account of his office are kept throughout on the principle of double entry; and their Lordships desire that the additional accounts required by this Minute may also be kept according to the same principle. The experience of the past 12 years in the Paymaster-general's office has fully shown the efficiency of the double entry system, and has satisfied my Lords that no better or safer principle of keeping the accounts of this department could be devised than that which is sanctioned by the experience and universal practice of the mercantile community.

The whole of the Accounts to be kept by double entry.

149. My Lords refer to their Minute of the 25th July last, in which they fixed the future establishment and salaries of the Consolidated Office of the Paymaster-general.

150. The number of persons employed in the offices of the Paymaster-general, Paymaster of Civil Services and Paymasters of Exchequer Bills, and their salaries and allowances, before the consolidation, were as follows, viz.:

Establishments of the divided offices.

	No. of Persons.	Salaries and Allowances. £. s. d.
Paymaster-general - - - - - -	82	26,600 – –
Paymaster of Civil Services - - - -	16	6,440 – –
Paymasters of Exchequer Bills - - -	10	3,005 – –
TOTAL - - -	108	36,045 – –

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151. The future establishment is fixed as follows:

Establishment of the Consolidated Office and Scale of Salaries.

Nos.		MINIMUM.	MAXIMUM.
1	The PAYMASTER-GENERAL, at a fixed salary of 2,000 *l.*, as settled by Treasury Minute of the 12th May 1848.		
		£.	£.
1	ASSISTANT PAYMASTER-GENERAL, with an increase of 100 *l.* a year after five years' service, and a further increase of 100 *l.* a year after ten years' service as such, as fixed by Treasury Minute of the 12th May 1848 - - - - - - - - - -	1,000	1,200
3	CHIEF CLERKS, at Whitehall, with an annual increase of 20 *l.* - - - - - - - - - -	550	700
4	PRINCIPAL CLERKS, at Chatham, Portsmouth, Plymouth, and Hanover, with an annual increase of 15 *l.*	450	550
1	BOOK KEEPER, on the footing of a Principal Clerk -	450	550
13	SENIOR CLERKS, with an annual increase of 10 *l.* -	350	450
18	ASSISTANT CLERKS, with an annual increase of 10 *l.* -	200	350
20	JUNIOR CLERKS, with an annual increase of 10 *l.* -	80	180
61			
1	Office Keeper and Superintendent of Messengers, at -	150	150
11	Messengers:—1 at - - - - - - - - -	100	100
	3 at - - - - - - - - -	90	90
	7 at - - - - - - - - -	80	80
73	Persons.		

Reduction effected.

152. The reduced establishment will thus consist of the Paymaster-general, 60 officers and clerks, and 12 messengers, whose present salaries amount to 19,900 *l.*; making a reduction, in numbers, of 35 persons, and in salaries of 16,145 *l.* per annum, subject to the charge for superannuation allowances. This reduction is exclusive of the saving which may arise from giving up the offices occupied by the Paymasters of Exchequer Bills and the Paymaster of Civil Services, and from the decrease in the expense of printing, stationery, and other contingent expenses.

No extra pay or allowances to be given in addition to salary.

153. In fixing the rates of salaries assigned to the several ranks in the foregoing scale, my Lords have given full consideration to the duties and pecuniary responsibilities of the Paymaster-general's Department; and it is their desire that all extra allowances may cease, and that no extra pay may at any time be allowed, as they consider that those salaries afford a fair and sufficient remuneration to the parties for their labour, and for the trusts they undertake.

Hours of attendance:—Attendance Book.

154. The hours of attendance shall be from ten in the forenoon until four in the afternoon, unless a longer attendance shall be at any time required for the public service. The business of the day is not to be considered as closed until the whole of the accounts of the day's receipts and payments shall have been finally agreed and balanced. To insure the regular attendance of every person employed, and to afford to this Board hereafter an additional test of the regularity and diligence with which the several parties have attended to the discharge of their official duties during the course of their employment, when their cases shall be brought forward for superannuation, my Lords desire that an attendance book shall be kept, in which every clerk shall inscribe his name as he arrives at the office, and that he shall also state the time of his arrival, if he shall arrive later than a quarter past ten; this book is to be closed and delivered to the Assistant Paymaster-general at 11 o'clock each day.

Period of annual vacation.

155. My Lords are pleased to authorize the Paymaster-general to grant to such persons as he shall consider deserving of the indulgence, a vacation of one calendar month in each year, at such times as he may consider most convenient with reference to the public business; and in cases where clerks may have given extra attendance during the year, and may have displayed more than ordinary zeal and diligence, that period of leave may be extended to six weeks; but such additional leave is only to be granted upon satisfactory certificates, from the heads of departments, that the applicant has strictly fulfilled the conditions upon which alone the indulgence is sanctioned.

Report to Treasury after three months' absence.

156. When a clerk may have been absent from his duties during any one year for a longer period than three months, from whatever cause, my Lords direct that he may be reported to them for their orders.

In cases of Superannuation, absence during the preceding 10 years to be reported.

157. It is the desire of my Lords that the Paymaster-general will comply with the regulation established by their Minute of the 21st June 1831, under which the heads of departments are required, when they recommend any individual for superannuation, to state his attendance and absence during the preceding 10 years; and that he will, in all such cases,

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cases, transmit to this Board, in addition to the usual statement exhibiting the merit, value and extent of the services of the party recommended, a statement of the average annual absence of such party from his public duties during the 10 preceding years.

No person to hold any private employment.

158. My Lords have fixed the before-mentioned scale of salaries for the officers and clerks of the Paymaster-general's establishment, with the distinct understanding that those salaries are to secure the full and undivided time and attention of the parties to the service of the public. They therefore strictly enjoin the Paymaster-general not to permit any officer or clerk employed in his department to act as director of a public company, or in the capacity of an agent for claimants, or to accept any private employment whatever, as my Lords are satisfied that such private callings are incompatible with the full and conscientious discharge of public duty. The Paymaster-general will report to this Board the name of any gentleman who may hereafter be guilty of a breach of this regulation.

Appointment of Clerks on probation.

159. All appointments of clerks in the Paymaster-general's office will be made by their Lordships. The rules for the admission and probation of clerks are to be as follows:— The candidate, before his admission, is to be subjected to an examination, under the superintendence of the Assistant Paymaster-general, the object of which shall be to ascertain that he possesses the requisite degree of education for the satisfactory execution of the official duties which will be entrusted to him. He is to be examined in the common rules of arithmetic, and in vulgar and decimal fractions, and he is to be required to make an abstract of some official documents to test his intelligence, and to show that he is able to write and compose correctly. The result of this examination is to be reported to the Paymaster-general, and the candidate is to be admitted to probation only in case it shall be considered satisfactory. The candidate is then to be subjected to a year's probation, and the confirmation of his appointment will depend upon the Paymaster-general being satisfied of his talents, conduct, and assiduity, by a written certificate from each of the chief clerks under whom he may have served during his probation, stating "that the candidate, in their opinion, possesses good natural abilities, that his conduct and diligence during probation have been uniformly satisfactory, that he is, in all respects, fit for the duties of a clerk in the department, and that there is every prospect that, as he advances to the highest situations in the office, he will be fit to fill them efficiently." If the Paymaster-general should be satisfied of the fitness of the candidate, after the required term of probation shall have expired, he is to make a report to that effect to this Board, when my Lords will confirm the appointment. If, at any time during the period of probation, the candidate should prove to be unfit to be placed on the establishment of the office, my Lords, on receiving the necessary communication from the Paymaster-general, will at once cancel the nomination.

Assistant Paymaster-general to be appointed by selection.

160. To the situation of Assistant Paymaster-general my Lords will appoint by selection, either in or out of the office, the person whom they may consider the best qualified for so responsible a situation.

Rule of promotion from class to class.

161. It is their Lordships' intention that promotion from class to class shall proceed by merit and good conduct. Although length of service and standing in the department will have their due weight in the consideration of the claims of parties to promotion, it is to be clearly understood that seniority cannot be permitted to overcome the superior claims of diligence and ability. My Lords also consider that in an office of such extensive pecuniary trust as that of the Paymaster-general, it is incumbent on them to direct that any clerk, who may be known to be in embarrassed pecuniary circumstances, should be considered ineligible for promotion to the higher classes of the department.

Copy of instructions to be laid before Parliament.

162. My Lords desire that a copy of these instructions be laid before Parliament, in compliance with the provisions of the Act 11 & 12 Vict. c. 55.

Copies to be sent to the several Departments.

163. Transmit copies of this Minute to the Paymaster-general, to the Comptroller-general of the Exchequer, to the Commissioners for Auditing the Public Accounts, the Lords of the Admiralty, the Secretary-at-War, the Commissioners for Chelsea Hospital, and the Master-general and Board of Ordnance for their information and guidance.

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Appendix, No. 1.

Lord Monteagle's Letter, 16 January 1849.

Lord *Monteagle* to the Lords of the Treasury, on the subject of the preceding Minute.

Exchequer, 16 January 1849.

I have the honour to acknowledge the receipt of your Lordships' letter of the 13th instant, and to thank you for having communicated to me the Treasury Minute of 1836 according to my request.

I shall now proceed to lay before your Lordships the observations which have occurred to me in relation to your Lordships' Minute of the 22d December 1848, transmitted for my information in your assistant-secretary's letter of the same date, and which, I presume, is to be considered as embodying the regulations for the office of the Paymaster-general issued under s. iv, 11 & 12 Vict. c. 55, which, if issued in conformity with the statute, are directed to be observed by the Comptroller-general of the Exchequer.

It is in consequence of this provision alone that I take the liberty of addressing your Lordships. So far as the Minute relates to other departments, it would be presumptuous and intrusive on my part to offer any unsolicited advice or observations.

I anticipate that in issuing this Minute it was the intention of your Lordships to provide only for the safety, economy, and advantage of the public service, and not to set aside or defeat any of the regulations which have hitherto been acted upon by the authority of the Legislature and of your Lordships. If the Minute of the 22d December appears to have the latter tendency or effect in my judgment, it is very possible that this may be traced to some misconception on my part which your Lordships may remove, or to some inaccuracy or looseness in the words of the Minute, which may not justly or accurately convey the meaning of the Treasury.

In order to make my observations intelligible to your Lordships it is necessary that I should recapitulate the steps which must necessarily be taken to provide for the supply services of the year.

1st. A vote in Committee reported and agreed to by the House.

2d. A Ways and Means Act providing funds and granting authority for the supply voted.

3d. A Royal Sign Manual warrant authorising the issue of the vote so authorised and provided for.

4th. A Treasury warrant to the same effect.

5th. An issuing letter directing the special issue whether to the full extent or in part of the vote.

6th. The Comptroller-general's warrant directing a credit to the amount required in the issuing letter.

It is by a combination of these several authorities that the amount of the vote can be applied, and no application of public money for the service in question can be legal, if any one step be defective or inaccurate; and, by the Act constituting this office, before I grant my warrant, I am first required to satisfy myself of the regularity and legality of the entire proceeding.

If I were consequently to issue my warrant in any case without a vote in supply, without a sanction of a Ways and Means Act, without the Sign Manual, or Royal Order, and without the authority of your Lordships' instructions, I should act in disregard of my duty, and be justly liable to censure. Nor is it in my judgment legal that in default of the Exchequer authority involving and expressing the completion of each and all of the several conditions I have enumerated, that any public money can be applied to satisfy the votes in supply.

I do not mean to question that in furtherance of the public service out of extraordinaries and contingencies specially left at the disposal of the Treasury and accounted for to Parliament, advances might not justly and properly be made and be repaid in case funds were subsequently provided for by vote. Such has been the case frequently of payments out of Civil Contingencies by Mr. Sargent, and which probably are referred to by your Lordships, s. 16, p. 5, though I have to regret that in describing this process the words "A fictitious cash account" should have been used to describe what is in itself a simple and intelligible transaction, and not exposed to any animadversions whatever.

I do not mean to doubt the policy of establishing one general cash account on which the Paymaster-general may be enabled to operate for his disbursements. But I submit to your Lordships the entire illegality of enabling payments to be made out of such cash balance in the absence of the several successive authorities to which I have referred, subject to occasional advances such as I have described out of a contingent fund. This is, I think, wholly at variance with the Act regulating this office, at variance with the provisions of the Appropriation Act, and of the constitution, and is calculated to throw great doubts and uncertainties on the returns made to me by the Bank of England, and on which my accounts to the auditors and to Parliament depend.

The point which I specially urge on your Lordships' attention, is the propriety of issuing money for the public service requiring an Exchequer credit without the actual issue of that credit from this department. The question is one which, if doubtful, might advantageously be brought under the attention of the law officers for their opinion.

In section 19, your Lordships state that the course proposed will be perfectly consistent with a strict appropriation of the Votes of Parliament, "as the paymaster will not make a payment under any head of service, exceeding the balance remaining of the grant of Parliament

Parliament for that service;" but your Lordships will see that, if this is to be the only limitation, all the authority of the subsequent checks are withdrawn. The issue in question may be made without the sanction of a Ways and Means Act, without the sanction of a Sign Manual Warrant or Treasury Warrant, and the control vested in this department, and for which I am responsible to Parliament, may be wholly set at nought.

It seems obvious that it would be illegal for your Lordships to proceed without a Royal Order on which to ground your warrant. It would be equally illegal on my part to issue a credit without your Lordships' authority, that of the Crown, and that of the Legislature; yet all these checks and securities will be set at nought if the Paymaster-general be directed and instructed to make payments for the public service in the manner which seems the obvious meaning of your Lordships' Minute.

Nor can the evils of such a course be treated as wholly imaginary. I can refer your Lordships to an occurrence of no very remote date that would show how the system would work, and the confusion which under certain circumstances it could hardly fail to occasion.

I allude to the transactions of the year 1841. At that time upwards of 100 votes in supply had passed and been agreed to by the House, Sign Manual Warrants and Treasury Warrants were transmitted to me by the Treasury. I declined to recognise their validity and refused on my responsibility to give them effect. After a somewhat protracted and controversial correspondence, I submitted a case for the opinion of Sir W. Follett and Sir F. Pollock, who considered my objections just and valid. The Sign Manual and Treasury Warrants were all corrected in the points to which I had objected, and then, and then only did I grant the credits required and authorise the issues demanded by the Treasury.

Now, had the system then existed which seems to be sanctioned and contemplated by the Minute of the 22d December, issues might have been made under all these irregular warrants. This would have been done by the authority of the Paymaster; and it would have been after these payments had been made that the irregularity would have been admitted, but too late to correct the confusion in the public accounts that could not but have ensued.

It is true that your Lordships observe, section 22, that where such unauthorised advances take place they may be adjusted by a proportionate variation in the subsequent Exchequer credit. It is added, that in this way no inconvenience will arise. I submit most respectfully to your Lordships, that it is a question rather of law and of constitution than of convenience; let me suppose that no ways and means have been provided, no Royal Order, Treasury or Exchequer Warrant, have issued for a vote for the Houses of Parliament or the Royal Palaces, yet if there stands in the cash account of the Paymaster a sufficient sum arising out of funds provided for Army, Navy, or Ordnance, it would be lawful to defray the former service out of the latter, a result which, though hardly possible in practice, might be justified under the system about to be introduced.

I need hardly point your Lordships' attention to the difficulty of reconciling this practice with the stringent words of the Appropriation Act.

But other and, in my mind, serious difficulties would ensue.

By the constitution of this office and your Lordships' original Minutes, the Bank of England are bound to transmit to me daily an account of the actual payments made on account of the several credits granted. On these returns I found my quarterly accounts to the Audit Office and to Parliament annually. But if, as in the supposititious case I put, credits granted for army services could be applied for building the Palace at Westminster in the expectation of a future re-adjustment of the accounts, the data on which I may have previously reported to the auditors and to Parliament will become to that extent illusory. On this account, likewise, I feel my responsibility as Comptroller-general involved, and I submit to your Lordships that the public interests require that the Exchequer accounts rendered under a special Act of Parliament should be freed from all such uncertainty or suspicion.

All the observations I have hitherto made apply, *mutatis mutandis*, to the mass of the payments for charges on the Consolidated Fund. In order to legalise such payments, your Lordships' authority and mine are both required, the Comptroller-general being first required to satisfy himself of the legality of the proposed payment. This is, indeed, admitted, p. 17, s. 92, which makes the payment dependent on the Paymaster's receiving credits applicable thereto. This same obligation may be intended to be repeated, s. 95, where the words "in the usual form" are introduced, though as this refers rather to Treasury than to Exchequer forms, the meaning is less distinct; but in s. 96, it would appear that the control of the Exchequer is wholly dispensed with, and a quarterly letter from the Treasury founded on a requisition from the Foreign Office is substituted, and a similar course is taken in relation to the Courts of Justice, s. 97, and to the Miscellaneous Charges, s. 98.

As a practical example of the inconvenience which might arise, I beg to refer your Lordships to the case of the Russian Dutch Loan, which is included under the head of Miscellaneous Charges. To this payment my predecessor, Lord Grenville, objected, and if his objection had not been withdrawn on legal authority, the payment would not under the existing law have taken place. But under the Minute of the 22d December, the payment might have gone on as a matter of course by the Paymaster, and the Exchequer control would only have been applied at a period too late to give it any efficient operation.

I have also to call your Lordships' attention to the steps taken from time to time, by which certain sums remaining as unexhausted credits or votes are declared savings. This is done on a comparison of the amount originally appropriated with the amount actually issued. But if payments on account of these votes take place from any other source, the balances to which I have adverted, and which have hitherto been held conclusive, will be made wholly illusory and deceptive.

Lord Monteagle's Letter, 16 January 1849.

A still more serious question might arise in relation to the surplus of revenue applicable to the reduction of debt quarterly. This depends wholly on the confidence reposed in the integrity of the Exchequer accounts. But how can this be relied on if a loose system be adopted and sanctioned by your Lordships in a Minute claiming to possess a legislative authority, and if possessing it, not capable of being varied except by the Act of the Legislature itself.

I am quite aware that I may have misapprehended your Lordships' intention. A general reference, s. 4, is given to the powers and functions of the Comptroller-general. This general recognition may be intended to accompany and govern all the subsequent clauses of the Minute. But I submit to your Lordships that this intention is not clear, and when it prescribes the duties of other departments of the Government which are expressly laid down in distinct terms, it can hardly be sufficiently precise to affix a limitation on the powers and authorities assigned to them.

I have to intreat your Lordships' indulgence for so long a statement; but charged as I am by Parliament with peculiar and independent duties of check and control, I feel convinced that you will give me credit for a desire to perform my duty, and no more than my duty, when I bring before your attention a Minute which might be interpreted, though hardly so intended by your Lordships, as setting aside the constitutional functions which are intrusted to me, and leaving the issue of the public money at the sole command of officers holding their station at the pleasure of the Crown.

Responsible to Parliament as I feel myself to be, this appeal to your Lordships seems to me prescribed by the obligations I am called on to fulfil.

PAPER showing the Alterations made in the TREASURY MINUTE, dated 22 December 1848, in consequence of the preceding Letter.

Portion of original Minute withdrawn.

Regulation of the balances at the Bank.

MY Lords proceed to consider what instructions it is necessary to issue to the Paymaster-general on the subject of his transactions with the Bank of England. It appears to be necessary, in the first instance, that the principle upon which he should regulate his balances should be clearly understood.

Two different modes of regulating the public balances at the Bank of England have been pursued by the Paymaster-general and by the Paymaster of Civil Services.

Mode hitherto adopted by the Paymaster-general.

In the Paymaster-general's Department, the balances at the Bank have been considered as a general fund applicable to the payment of all current services; the demands upon the Exchequer, to replenish the balances, have been made with reference to the known or expected wants of the respective departments having authority to draw upon him, and the appropriation of the issues to the various services to which they relate has been made daily in the Paymaster-general's own books, upon the actual vouchers presented for payment. By this arrangement, the necessity of keeping a larger balance at his credit at the Bank than was actually required for carrying on his payments, and the complication of his accounts at the Bank, caused by multiplying and subdividing balances, which in accounts so extensive, would have entailed great labour and risk of error, without any useful practical result, has been avoided.

Mode hitherto adopted by the Paymaster of Civil Services.

In the office of the Paymaster of Civil Services separate Bank accounts have been kept for every head of service, under which he has been called upon to make payments out of Exchequer credits. The consequence of this system has been an unavoidable accumulation of credits at the Bank, as it has been necessary to keep every separate service in funds to meet the demands upon it. The care and attention required in paying from a variety of funds, and in keeping numerous accounts of the transactions between the office and the Bank, have also occasioned much additional labour to guard against errors.

The separate accounts at the Bank have not provided an additional check.

These separate accounts at the Bank of England have not afforded any further security for the correct appropriation of the grants of Parliament than has hitherto been as satisfactorily attained by the checks established at the Treasury and the Exchequer upon the issue of credits out of the respective votes. As regards the Exchequer credits issued for services payable out of the Consolidated Fund, the application of which is limited to the service of the particular quarters for which the charge is made on the Consolidated Fund, it has not been found practicable to adopt quarterly sub-divisions of such credits in the Bank accounts, and the required check has therefore been necessarily confined to the books kept in the office of the Paymaster of Civil Services.

Immediate payments made from the cash account of the Paymaster of Civil Services.

The Paymaster of Civil Services has also had a *Cash Account* at the Bank, which has been, to some extent, used as a common fund for current services. Thus, whenever it has been necessary that a payment should be made before the forms of office would admit of the issue of an Exchequer credit to meet it, it has been necessarily defrayed out of this fund, and a fictitious cash account for that service has been opened in the books of the Paymaster of

Civil Services, which has been subsequently adjusted by a transfer at the Bank from the Exchequer Credit Account. The necessity of making advances for services requiring immediate payment must still be provided for; and the principle by which the accounts of the Paymaster-general have been regulated at the Bank appears to be better calculated to effect this object, with simplicity and accuracy, than that which has been pursued in the office of the Paymaster of Civil Services.

Portion of Original Minute withdrawn.

It is an object of great importance that the public money should not be drawn from the Exchequer, either before it is wanted, or in larger sums than the services for which it is issued requires, or, in other words, that the balances should be confined to the lowest sum necessary for carrying on the payments for the public service in a punctual and regular manner; and this object, so essential both to security and economy, may be greatly facilitated by considering all the sums placed to his credit at the Bank of England as forming one common fund, to be used indiscriminately for all current payments, according to the practice of the Paymaster-general's Office.

Balances should be kept as low as possible.

For these reasons, my Lords desire that the system of account and payment which has been pursued in the Paymaster-general's Department since the last consolidation of the Pay Offices in 1836, be extended to the services lately transferred to his charge; that is, that instead of having a separate balance at the Bank of England, under each head for which sums are drawn from the Exchequer, he shall make all his payments out of a general balance; and that separate accounts shall be kept in his own books, showing the receipt and expenditure under each head of service; and that his balance at the Bank shall be replenished, from day to day, from the several grants of Parliament, on account of which payments are made.

The system hitherto adopted by the Paymaster-general to be extended.

This course will be perfectly consistent with a strict appropriation of the votes of Parliament, as the Paymaster-general will not make a payment under any head of service exceeding the balance remaining on the grant of Parliament for that service; and will keep in his books separate accounts of the grants remaining in the Exchequer and in his hands, under the several heads of service, that he may be prepared to exercise an efficient check upon the accounts of the application of the votes of Parliament, and to submit to this Board any order for payment which may be drawn upon him, in excess of the available balance of the grant unissued from the Exchequer, or in his hands, to which such order may relate.

No payment to be made in excess of the Votes of Parliament.

This principle of regulating the accounts of the Paymaster-general at the Bank will be in exact accordance with that prescribed by the Act 4 Will. 4, c. 15, for the regulation of the Exchequer account at the Bank. By the 10th section of that Act, it is provided that all monies paid into the Bank, on account of the Exchequer, shall be treated as forming one fund in the books of the Bank, while the separate accounts to which the monies belong are required to be kept at the Exchequer and the Treasury; and the appropriation of such monies is to be regulated by the several statutes applicable thereto. In like manner the Paymaster-general will take care to regulate his payments for the respective services out of his common balance, according to the appropriation authorised by Parliament.

The Exchequer balance at the Bank considered as one fund.

The order contained in their Lordships' Minute of the 26th September 1834, for the regulation of the office of the receipt of Her Majesty's Exchequer, by which the Paymaster-general is required to exhaust the balance of monies on his cash account for Army, Navy and Ordnance Services, in making payment for those services before any drafts are drawn by him on the Exchequer account, is consistent with the directions of this Minute, and should be strictly observed.

Cash Account to be exhausted before drawing upon Exchequer Credits.

Under the mode prescribed by this Minute for regulating the Paymaster-general's balances of cash, it may occasionally happen that the payments on some heads of service may exceed the sums transferred to the Bank from the Exchequer account to meet them. No inconvenience will, however, arise from this circumstance, as the Paymaster-general will frame his next requisition upon the Exchequer with a view to restore the balances, by drawing upon the Exchequer Accounts for those heads of service, for the amounts required to replace the sums temporarily advanced out of the general balance. To enable my Lords, however, to judge of the regularity of the requisitions, it is their desire that the Paymaster-general will transmit to this Board, in addition to the weekly statement now sent to them, showing the actual balances on his accounts at the Bank, a Monthly Return of the Service Balances of Cash on every head of account opened in his books.

Requisitions for money to be framed to adjust the balances.

Weekly and monthly returns of balances to be sent to the Treasury.

These regulations provide, moreover, great facilities for conducting the payments for the numerous services embraced in the Paymaster-general's accounts. The funds placed to the drawing account being applicable to the payment of all services indiscriminately, bankers, agents and others receive one cheque for their claims, however numerous and various they may be; and while this arrangement promotes the convenience of claimants on the department, it greatly reduces labour and simplifies the accounts, both in the Paymaster-general's Office and at the Bank of England.

Facilities in conducting the payments, reduction of labour, and simplification of the accounts.

For which the following was substituted.

11.—My Lords proceed to consider what instructions it is necessary to issue to the Paymaster-general on the subject of his transactions with the Bank of England. It appears to be necessary, in the first instance, that the principle upon which he should regulate his balances should be clearly understood.

Regulation of the balances at the Bank.

Pay Office Minute. Paragraph substituted.

Mode hitherto adopted by the Paymaster-general.

12.—The balances at the Bank have hitherto been considered as a general fund applicable to the payment of all current services; the demands for Exchequer credits, to replenish the balances, have been made with reference to the known or expected wants of the respective departments having authority to draw upon the Paymaster-general, and the appropriation of the issues to the various services to which they relate has been made daily in the Paymaster-general's own books, upon the actual vouchers presented for payment. By this arrangement, the necessity of keeping a larger balance at his credit at the Bank than was actually required for carrying on his payments, and the complication of his accounts at the Bank, caused by multiplying and subdividing balances, which in accounts so extensive would have entailed great labour and risk of error, without any useful practical result, has been avoided.

Balances should be kept as low as possible.

13.—It is an object of great importance that the public money should not be drawn from the Exchequer either before it is wanted, or in larger sums than the services for which it is issued requires, or, in other words, that the balances should be confined to the lowest sum necessary for carrying on the payments for the public service in a punctual and regular manner; and as this object, so essential both to security and economy, is greatly facilitated by the arrangement and practice above referred to, my Lords desire that the system of account and payment which has been pursued in the Paymaster-general's department since the last consolidation of the pay offices in 1836, be applied to the services lately transferred to his charge.

No payments to be made in excess of Grants of Parliament.

14.—My Lords will, in all cases, communicate to the Paymaster-general the amounts of the several grants made by Parliament for the public service, in respect to all those departments the payments for which are made in his office, as soon as the votes shall have been granted in Supply, and Ways and Means shall have been appropriated by Parliament to satisfy them; while at the same time the Royal Orders and the Warrants will be duly completed by this Board and by the Comptroller-general of the Exchequer, to enable my Lords to direct the grant of the necessary credits, from time to time, to meet the expenditure. The Paymaster-general, from the manner in which the books of account are to be prepared and made up in his office, will be able at once to satisfy my Lords of the necessity of directing the grant of such credits from time to time, and will have the most ready means of calling their Lordships' attention to the fact, if any order shall have been given to him by any department, a compliance with which would lead to an exceeding upon any one of the heads of service for which separate sums have been granted by Parliament. While by these arrangements the constitutional check exercised by the Comptroller-general of the Exchequer upon the issue of the public money, under the provisions of the Act 4 Will. 4, c. 15, will in all respects be maintained, the regulations which their Lordships prescribe for the government of the Paymaster-general's office, will afford to this Board a further control and check over the expenditure in detail, which will enable their Lordships to ensure that no payment is made upon the order of any department under any head of service beyond the amount of the specific grant of Parliament legally applicable thereto. In this manner my Lords will have the means of satisfactorily exercising that control and authority which is vested in them by the Appropriation Act, whereby, while, on the one hand, the departments of Expenditure are restrained from applying any part of one specific grant in aid of another specific grant, this Board, on the other hand, in relation to Navy, Army or Ordnance Services, is authorised, on being satisfied of its being indispensably necessary, to convey Her Majesty's sanction to the application of the surplus on one grant to supply the deficiency on any other, provided the total of all the grants for the particular department as aforesaid, which applies for such sanction, be not thereby exceeded.

MEMORANDUM by Lord *Monteagle* on the Exchequer. 1854.

Exchequer Memorandum, 1854.

In conformity with the wishes expressed by the Chancellor of the Exchequer, that I should reduce to writing the communication which I have already made to him verbally, I proceed to execute a duty of which I feel the importance to the public service, more especially at the present moment.

Before I proceed further, I must, however, guard myself against any misapprehension on two points. First.—In bringing under careful review the present mode of providing for the public expenditure, nothing is further from my intention, than to impute blame, or attribute irregularity to the Executive Officers charged with this branch of the public service: they, I presume, faithfully obey the orders they receive, and act on a system devised for their government. It is the system itself, rather than its administration, which I consider to be dangerous and indefensible; tending to supersede the stringent provisions of the statute law; to defeat all Parliamentary responsibility; to strike at the integrity of the accounts rendered to both Houses, and to the auditors; and to permit an application of the public revenue without due authority; and, possibly, to purposes wholly unsanctioned by law.

The second point on which I should wish not to be misunderstood, is the following:—My application to the Government is made only because it is connected directly with my own department,

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department, and my immediate duties and functions. Though at all times ready to render any assistance to the public service, however slight it may be, which it is in my power to offer, I should not intrude myself, unasked, on the present or on any other occasion, if I did not perceive, and if an official knowledge was not forced upon me, of an entire and daily increasing departure from the law, tending to lessen, and which may ultimately totally defeat all the functions with which I am charged, whatever may be the accuracy with which those functions are performed. In such circumstances, if I hesitated in bringing this vicious system under the direct notice of the Government, I might be held an acquiescing party in what I consider as indefensible, and I might be considered justly censurable by the Houses of Parliament, to whose united judgment I am by law made responsible.

These motives press on me more strongly at the present moment, when it appears, by the proceedings in the House of Commons, that the functions of the Exchequer are proposed to be augmented. It would indeed be inconsistent that Parliament should be induced to intrust the Exchequer with additional functions, as a check and security against undue issue and appropriation, whilst at the very same time a system is practised and is daily extending, which goes far to render such Exchequer control nugatory and unavailing. Should the country be plunged into war, the risks and difficulties which I anticipate, will also be greatly increased. The difficulties of administering the expenditure, during an European war, will have to be encountered for the first time in our modern history, through the instrumentality of one single Pay Department in place of five. In the late war there were separate offices for paying the Army, the Navy, Army Ordnance, Chelsea, and the Civil Service, besides votes placed in the hands of the Treasury, for Army Extraordinaries and Civil Contingencies. At present, all is carried on at one single Pay-office, and unless the issues for each department are accurately made and kept distinct from each other, as required by law; unless care be taken to prevent any possible misappropriation of the funds provided by Parliament from the special services for which they were granted; and unless the public accounts of the Treasury, the Pay-office, and the Bank of England, are so kept as to check each other, and correspond with the legal authorities given, and with the Exchequer Records, I anticipate with indescribable alarm the consequences to the public service which must ensue.

It is on these grounds that I felt it my duty to make to the Chancellor of the Exchequer the verbal representation, which, at his request, I now bring before him in a written form. I do so, assuring him that my earnest desire is to avert from the Government of which he is a distinguished member a serious responsibility, and to protect the public from a great and imminent danger. I feel it is also due to myself to avoid any seeming participation in a system which renders my legal duties at the Exchequer inoperative, and exposes the public accounts to confusion and error.

The responsibility and danger to which I allude, appear to me to arise from the present mode of issuing and applying the public money, which I consider to be not only a violation of the general principles of the Constitution, but contrary to express law, repugnant to the intentions of Parliament, superseding the restraints of the Appropriation Act, making the public accounts illusory and contradictory, and, as far as I can judge, throwing corresponding difficulties in the way of the final proceedings of the auditors.

To render my statement clear and intelligible, it is necessary that I should recapitulate the several steps which are required by law to be taken to justify any issue of public money. I shall, in the first instance, confine myself to the sums voted in Supply.

1. To provide legally for any public service, there must, first, be a vote taken in Committee of Supply, reported and agreed to by the House of Commons, or an Act passed to the same effect.

2. Ways and means must also be provided, and an Act of Parliament passed, authorising the issuing of such ways and means for any services voted by the House of Commons. Such is the constitutional jealousy of Parliament, that it is not the usage of the House of Commons to grant ways and means exceeding the amount of Supplies actually voted.

3. There must be a Royal Sign Manual Warrant, countersigned by the Treasury, addressed to the Comptroller of the Exchequer, authorising an issue, chargeable on Ways and Means provided by the Legislature for specific services, voted by Resolution of the House of Commons, or sanctioned by Act. Such Resolution or enactment must be recited at length, in the Royal Order, in order to secure the exclusive application of the sums to be issued to their legal uses and no other.

4. The next step taken is the issue of a Treasury Warrant, duly signed, and addressed in like manner to the Comptroller of the Exchequer, authorising the issue of such sums as are included within the recited Resolution or Act of Parliament, provided for in the Ways and Means Acts, and comprehended in the Royal Sign Manual Warrant or Order. The issues are thus directed to be made in strict accordance with these several authorities, and for the purposes specified in the Act recited, or in the Resolution of the House of Commons. If more issues than one should be directed by separate warrants, to be made on account of the same vote, each successive Royal Order and Treasury Warrant must specify the original sum voted, the sum already issued, and the balance remaining applicable; thus guarding against any excess of issue beyond the Parliamentary appropriation.

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5. On the completion of these authorities, an issuing letter, signed by a Secretary of the Treasury, founded upon and referring to the several instruments already described, is addressed to the Comptroller of the Exchequer; this document carries into effect the preceding orders, with this one distinction, that, in general, the issuing letters are for lesser amounts than are authorised by the former orders and warrants, and are forwarded to the Exchequer from time to time according to the exigencies of the public service. Each issuing letter recites the special purposes for which the particular sum is required. The issuing letter also points out and directs the express ways and means to which such issues shall severally be charged in the books of this department.

6. On receipt of these documents, the Comptroller-general is bound to ascertain whether the Parliamentary vote has been agreed to, or an Act passed; whether the Ways and Means Bill, applicable to such vote, has also become law; whether the Sign Manual, reciting the special purposes of the vote, and not exceeding its amount, the Treasury Warrant, and the Issuing Letter, are all conformable to law in substance and form. The Comptroller-general, on being fully satisfied that each of these five indispensable conditions has been duly complied with, is bound to direct the Bank of England, by his Exchequer warrant, to grant a credit from the Exchequer account to the department pointed out by the Treasury, for the exact sum required, and for the specified service authorised.

Consequently, without the Exchequer warrant no issues from the Bank Exchequer account, and no payment, can legally be made, and every such warrant contains its orders of specific appropriation.

The Bank of England is bound by law to return to the Exchequer daily accounts of the daily payments, and of their precise appropriation; which accounts are meant to inform the Exchequer of the amount authorised, the amount actually paid, and the amount which may remain unexhausted. It is from such returns that the books of the Exchequer are kept, the weekly Bank returns to the Treasury made, as well as the Comptroller-general's quarterly accounts for the auditors, and annual accounts for Parliament. These proceedings are all prescribed under the following clauses, in 4 Will. 4, c. 15, ss. 14 and 20.

Sect. 14. "Provided always, and be it further enacted, That in cases in which any "credit shall be granted to any person by the said Governor and Company, in pursuance "of this Act, no sum of money shall be transferred from the account of His Majesty's "Exchequer, until the same shall *be actually paid* by the Bank to or on account of the "person to whom such credit shall be granted: Provided always, that nothing in this Act "contained shall be construed to alter or affect the regulations now in force, by virtue of "any Act or Acts relating to the payment of the dividends on account of the public debt."

Sect. 20. "And be it further enacted, That the Governor and Company of the Bank "of *England* shall, and they are hereby required to transmit from day to day to the "said Comptroller an account of *the several payments actually made by them in the course "of the preceding day, on account of the credits* granted by him; and the said Governor and "Company shall likewise weekly transmit to the Commissioners of the Treasury a statement, "specifying the sums of money paid within the preceding week to the drafts or orders of "the several public accountants to whom credits shall have been granted by the said "Governor and Company in pursuance of the warrants of the said Comptroller, distin-"guishing the payments on each account, and also a statement of the balance of money "remaining in the Bank at the close of each such week on account of the Exchequer; all "which several statements shall be authenticated by the signature of one of the cashiers, "or other officer of the Bank, to be appointed for that purpose."

It can be easily ascertained, on reference to the official accounts of the Pay-office, whether the actual mode of transacting the business at the Pay-office admits of a strict adherence to the preceding clauses; whether the daily accounts rendered by the Bank to the Exchequer comprehend all the daily payments really made; and, in fact, whether these accounts represent the accounts before or after what seems to be described by the term rectification or adjustment.

It is thus provided by law how the votes of Parliament, the pleasure of the Crown, the authority of the Treasury, and the final order of the Exchequer, should be invariably carried into effect; and that no sum should be issued or applied to any purpose not warranted by law or exceeding the amount specifically voted.

It was to enforce these great principles, and to guard against any possibility of undue appropriation, that the office of the Exchequer was established; and that on the abolition of the office of auditor, the four tellers, and the clerk of the pells, the duties and powers of these six officers were transferred to one Comptroller-general, to whom, under a specific Parliamentary responsibility, was intrusted the enforcement of a rigid Parliamentary appropriation of the public money.

It here becomes necessary to refer more distinctly to the origin of the system of Exchequer control, to the principles of the existing law (4 Will. 4, c. 15), and to the proceedings adopted both in Parliament and by the public departments for the enforcement of these constitutional principles.

The whole question was submitted to the examination of two Royal Commissions, under

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under the Governments of the Duke of Wellington and of Earl Grey; and in the Report made to Parliament in 1831 it is stated,—"The Exchequer does not exercise any authority "over the administrative departments, *further than to guard against the illegal application* "*of the public money.* The constitutional functions of its officers, who hold their situations "for life, are to provide for the proper keeping *and proper appropriation of the public money.*" That such had been the constitution in the earliest times, is shown by the following extract from the evidence of the clerk of the Pells (the Right Hon. H. Ellis), quoted and adopted by the Commissioners:—"The Exchequer is at least coeval with the Norman conquest, "and from its earliest institution has been looked upon as *a check on the Lord High Treasurer,* "and a protection for the king, as well as the subject, in the *custody, payment, and issue of* "*the public money.*" (Sessional Paper, No. 313.)

The Commissioners proceed to recommend the creation of the present office of Comptroller-General, in the following words:—"We are decidedly of opinion that the most "efficient *restraint on the Crown and on its Ministers should be provided and maintained.* "It becomes our duty to suggest means for obtaining full security that *no appropriation of* "*the funds received should take place under any circumstances, however urgent, without such* "*sanction as shall be a real guarantee to the public for the legality of the appropriation.*"

Founded on this Report, the Act of the 4 Will. 4, c. 15, was introduced into the House of Commons by Sir James Graham, who had been one of the Commissioners of Inquiry. The objects of the Act were explained by him, with his accustomed clearness and ability, and set forth the intentions of Lord Grey's Government in proposing, and of Parliament in passing, the Exchequer Act. "The highest function of the Exchequer," he observed, "is that of control. * * The Comptroller-General is to exercise the duties now per- "formed by the auditor and clerk of the Pells, and *to see that* all payments made are "sanctioned by Acts of that House; *the measure will give an effective control over the* "*Executive,* as regards the future expenditure." The speaker proceeded to explain the provisions of the Bill, which he described as providing "that *before any cheque or draft* "was issued or paid, the order (warrant) of the Comptroller-General, directing the payment, "should be issued. * * The Treasury Warrant must *recite the particular Act or Vote* "*of Parliament sanctioning such payment.* The Comptroller-General will have to see "whether the money advanced or expended was within the provisions of *the Appropriation* "*Act, or the authority granted by Parliament.*"

The Act received the unanimous concurrence of the House of Commons, the only doubt suggested being, whether the responsible functions of the Comptroller were not such as to require the joint authority of two public officers, rather than one. "No single "individual," observed Lord Granville Somerset, who had acted as one of the Commissioners of Inquiry appointed by the Duke of Wellington, "would be able to resist the "strong pressure occasionally brought into play against him, whenever he put his view of "what was right in opposition to the wishes of the Executive Government." This suggestion was not, however, adopted, and the Bill passed the Commons in its present form, by which the absolute power of the Exchequer is entrusted to the Comptroller-General, subject to his responsibility to both Houses of Parliament.

In conformity with the principles laid down by Sir James Graham, the Earl Grey, on moving the second reading of the Bill in the House of Lords, stated its object to be, "to regulate the Exchequer business, and to establish *an efficient and proper control.* The "revenue should only be extracted from the Bank by Royal Order, but in all cases a reference "should be made to the Act or Acts by which such issues were authorised."

All these objects were consequently provided for in the Exchequer Act, 4 Will. 4, c. 15.

It now becomes necessary to compare these later Parliamentary declarations and enactments with the acknowledged law of Parliament and the provisions of the Appropriation Acts.

From early times a right was asserted by the House of Commons, to guard against any misapplication of the public treasure. This became one of the questions to be struggled for, by those to whom the Constitution owes its progress and its completion. But it was resisted by high authorities. Clarendon stigmatised it as republicanism. But the principle was finally adopted and engrafted into our Constitution at the time and by the men to whom we owe our liberties. The words of Hatsell, are as follows (Vol. iii., p. 202):—"This idea, (of Parliamentary appropriation), which was conceived originally only as a "restraint on those who had the management of the public service, was adopted to a much "larger extent, and made part of that system of government which was established for "better securing the rights, liberties, and privileges of the people of this country. Imme- "diately after that æra, all the grants were applied and strictly appropriated," &c.

This principle was strictly carried out, and special penalties were imposed on any officers of the Exchequer who should make issues at variance with the statutable appropriation. The same penal clauses were inserted in the 6 & 7 Will. 3, c. 7. The impeachment of Sir E. Seymour comprehended a charge, "for that he, being treasurer "of the navy, did, contrary "to law and to the duty of his office, lend 90,000 *l.*, *raised and appropriated for building* "*ships, to the support of the army, contrary to the Act,*" &c.

The assertion and legislative adoption of the great constitutional doctrine of enforcing a strict Parliamentary Appropriation, originated with Lord Somers, who is said to have been directed by the House of Commons to prepare the proper clause, which became, and has

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since continued to be, the constitutional law of England. Nor was this principle less carefully enforced in subsequent times. In 1711, a resolution was passed by the House of Commons to the following effect:—"The applying any sum of unappropriated money or "surplusage of grants, to uses not voted or addressed for in Parliament, hath been a mis-"application of the public money." In the year 1734, by Resolution, and in the 7 Geo. 2, c. 12, s. 12, in the Appropriation Act, a more relaxed system was temporarily introduced. But this was done in a time of exigency, and so justified only. Against a similar course, which had been taken in 1727, much opposition had been given in the House of Lords; and a Protest appears in the Journals, signed by many Peers, including the name of the then Earl of Aberdeen. These exceptional cases confirm the general rule, and had a Parliamentary justification; and therefore there is no reason to question the authority of the author, who states distinctly that,—"The uniform practice, begun at the Revolution and "continued for near a century, is that the money granted by the House of Commons for "the current service of the year, should, by a special appropriation, either in the Act for "levying the aids, or in some other Act of the same Session, be applied *only to the services "for which they were voted.*"

The case of 1782 is a further illustration of the same principle. In the month of December, there being some doubt respecting the duration of the war, the Army Estimates were not introduced before Christmas. The Navy only was provided for, and was charged on the Land and Malt Taxes. But it being found that all the money voted for the Army in former Sessions had been issued, and that a further sum for the pay and subsistence of the land forces would be wanted before the House of Commons met in January, on mature consultation with the officers of the Treasury and Exchequer, it was judged necessary that a sum should be voted on the Army account, in order to give the Paymasters of the Army a credit with the Exchequer. An Estimate for the Army was therefore presented, a vote taken, and the constitutional principle was strictly maintained.

Again, in 1784, when it was anticipated that public moneys might, after the dissolution, be applied to purposes not sanctioned by Parliamentary appropriation, the highest constitutional authorities then existing induced the House of Commons, on the 12th January, to pass the following Resolution:—"For any person at the Treasury, Exchequer, or Bank "of England, or employed in the payment of public moneys, to pay any moneys for services "voted in the present Session of Parliament, after Parliament hath been prorogued or "dissolved, before the passing of an Act of Parliament appropriating the services, will be "a high crime and misdemeanor, a daring breach of public trust, derogatory to the funda-"mental principles of Parliament, and subversive of the Constitution of the country."

Though such was the admitted Constitution of England, abuses were not wholly checked, even in later times, when abuses were, it might be thought, less likely to prevail. But, in order at once to adhere to the principle of Parliamentary appropriation, and yet to meet unforeseen exigencies in the public service, two very considerable votes had for many years been customarily taken, which were freed from the restraints of any very special application, and left much more at the discretion of the Treasury, subject to the responsibility of a subsequent Parliamentary account of the expenditure. The one was the Vote for Army Extraordinaries; the other, the Vote for Civil Contingencies. These votes were at all times viewed with a natural and a just jealousy on the part of the House of Commons. The abuses resulting from the Extraordinary expenditure of the Army, are noticed in the Seventh Report of the Commissioners of Army Accounts, pp. 11–14. Extraordinary expenditure was always viewed with suspicion. Even so early as in 1780–82 the expenses for extraordinaries have been declared "to have rendered the Votes of Parliament, and "the Bills for appropriating the Supplies, ridiculous and nugatory." In the closing years of Lord Liverpool's Government, it was shown, mainly by the perseverance and exertions of Lord Derby, that the whole expenses of the Rideau Canal had been thus defrayed without Parliamentary authority, and had amounted to 700,000 *l.* or 800,000 *l.* It was also discovered that the salaries of the North American Bishops and Clergy were borne and paid out of the Military chest, and charged to Army Extraordinaries. A reform was effected by the Whig Government. All that was reducible to estimate was included in the Annual Votes; and the vote for Army Extraordinaries was discontinued.

The Civil Contingency Vote has been greatly reduced, and amounts at present to no more than 100,000 *l.*

Thus the whole course of Parliamentary proceeding has been greatly to limit the discretion of the Treasury in relation to the public expenditure, and to bring very nearly the entire expenditure under the direct control of Parliament, the Exchequer, and the Auditors.

It was, however, in Sir James Graham's remarkable speech, on moving the Navy Estimates of 1831, that the necessity of efficient check was more fully exhibited to Parliament than had ever previously been done. This speech, made on the 25th February 1831, contains a masterly exposure of the abuses which even then prevailed. He described the many mischiefs arising from the want of a rigid and invariable adherence to the principle of appropriation, and "*the inconvenience arising from the intermingling of accounts, and "the practice of throwing the surplus of one department into the deficiency of another.*" Sir James Graham expressed his strong disapproval of this system, and referred to the constitutional principle of Lord Somers's Act of Appropriation, "which not only recognised "the right of Parliament to fix the whole quantum of supplies, but the right to apportion "them to particular branches of the public service." Sir James Graham showed that, under the relaxed system which he denounced, 155,534 *l.* had been expended at Weevil without any Parliamentary authority; that at Cremill, on a vote of 4,000 *l.* an expenditure of

229,441 *l.*

229,441 *l.* had taken place; that at Leith and Ascension, 7,900 *l.* and 10,000 *l.* had been laid out without any Parliamentary authority. Sir James Graham added, that "*having* "*consulted the Law Officers of the Crown on these practices, he was advised that the system* "*was illegal, and he considered it likewise to be most injudicious.*" He condemned the permitting "a saving in one department from being made to account for a deficiency in "another." Steps were taken by him to prevent the recurrence of these abuses in future, and to enforce a rigid adherence to the appropriations made by Parliament.

It was with a knowledge of these facts, and with a desire of averting any future recurrence of these abuses, that Sir James Graham was selected as being the fitting person to introduce the Act (4 Will. 4, c. 15), which was intended not only to simplify Exchequer practice, but to strengthen the control over the Treasury. His observations, in recommendation of this Act, have been already alluded to.

The stringency of the system thus enforced by law, more especially after the cessation of the vote for Army Extraordinaries, was felt to be so great, that by the 9 & 10 Vict., c. 116, the following clause was introduced into the Appropriation Act, to give somewhat more of discretionary power to the Treasury. This clause has since been re-enacted annually. The words and import of the enactment are remarkable, and deserve the utmost attention from the Government. They are as follows. After the appropriation of Ways and Means to the several services voted, the Act proceeds:—

"Provided, that if *the exigencies of the service* shall render it *indispensably necessary* "to alter the proportions assigned to any of the *separate services* comprised in the aggre- "gate sums granted in this Act *for Navy, Army,* or *Ordnance Services, the department* "*where such necessity arises* shall represent the circumstance, *in writing, to the Treasury,* "and it shall be lawful for such department, *on Her Majesty's pleasure being signified by* "*the Treasury,* to apply in aid of the deficient grant a further limited sum *out of any* "*surplus, under any other head of service, in the same department. Provided that the* "*aggregate sum granted be not exceeded.*" Such is the existing law, and such the latest but most conclusive assertion and enforcement of the right and obligation of a Parliamentary appropriation. This clause is conclusive. It proves that without its statutable relaxation the funds provided for a specified vote in one service could not lawfully be applied to another vote, though in the same service; but that, even when under "*circumstances of* "*exigency,*" an abandonment of the strict rule became "*indispensably necessary,*" this deviation was permitted only on a "*representation in writing*" from the responsible department, and that this representation could only be acted on by the *Command of the Sovereign,* signified by *the Lords of the Treasury:* it proves further, that even assuming the concurrence of all these several authorities and circumstances, no sums voted for Army, Navy, or Ordnance could be transferred or applied interchangeably to one of these services from another, either under the general law or under the enabling proviso. It is, therefore, undeniable, that except under the exceptional circumstances stated, all such transfers are now illegal. *Expressio unius, exclusio alterius.* The latitude given must be confined strictly within the excepted cases. By this clause the principle asserted by Parliamentary practice in earlier times, and from the Revolution downwards, is finally re-enacted and enforced. It will hereafter be shown how entirely it is set at nought by the existing system of the Pay-office.

But it is first necessary to call the attention of the Government to the alterations made in the Pay Departments of the State, which bear essentially on the subject under review.

At the accession of Will. 4, there were maintained, at a very considerable charge, three offices of Paymasters, all held with seats in Parliament.

1. Paymaster-general of the Forces (originally there were two Joint-paymasters).
2. Treasurer of the Navy.
3. Treasurer of the Ordnance.

To these should be added, the Treasurer of Chelsea Hospital, and the establishment for the payment of the Civil Service.

The three first-named appointments, being supported at a very considerable cost, and increasing the influence of the Crown, had often been the subjects of Parliamentary animadversion. A Bill was introduced into the House of Commons, in 1835, which became law, as the 5 & 6 Will. 4, c. 35, to consolidate these three departments, and also that of Chelsea, into one general Pay-office. The Paymaster of Civil Services was created by the 4 & 5 Will. 4, c. 15; but this office also was subsequently abolished by the 11 & 12 Vict., c. 55, and its duties transferred to the Paymaster-general. Thus all payments are now made by one single department. It was neither intended by Parliament, nor is it provided by the Consolidating Statute, that any variation was thereby to be made in the system of strict appropriation or Exchequer control. On the contrary, no issue is recognised under these statutes, except as sanctioned by Act or vote of Parliament, by Ways and Means Act, Royal Order, Treasury Warrant, Treasury Issuing Letter, and Exchequer Warrant; and in each of these several documents, as has been already shown, the principle of specific appropriation is set forth and maintained. But though the obligation of adhering strictly to this appropriation is undiminished by the consolidation of the pay-offices, the power of evading it is increased, and the consequent risk of a violation of the law is proportionally augmented. Whilst there existed five distinct pay-offices, no transfer of funds from one to another could take place, except by a confederacy between two independent functionaries, involving

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involving both in a common responsibility, incurred for the convenience of one. Such occurrence was therefore highly improbable. It is otherwise where the five classes of payments are concentrated in one department. In this latter case, full opportunity is given to the Paymaster, however strictly the Exchequer control may be exercised, to set all restrictions at nought, if so directed or advised, and to bid defiance to the principles of a strict appropriation of the public money.

These restrictions may, in many cases, be for the time inconvenient and inconsistent with a more rapid march of the public business; but as they are embodied in the law of the land, and are essential to support the rights of Parliament, they cannot legally be set aside by any department whatever, without incurring that which was made matter of impeachment in the case of Sir E. Seymour, was directly condemned in the Resolutions of 1711, and condemned in spirit by those of 1784.

After the final consolidation of the Pay Office, by the 11 & 12 Vict., c. 55, a Treasury Minute, to carry that law into effect, was passed on the 22d December 1848. This Minute was communicated in a printed form to the Exchequer, the Paymaster's Office, the Audit Office and other departments, for their guidance. On perusing this Minute, it appeared to me to be so irreconcilable with constitutional principle and statute law, that I stated my objections to the highest authorities of the Treasury, and finally prepared the *Draft* (*Appendix III., p.* 548) of an official letter of remonstrance against the Treasury Minute; this draft I sent to the Chancellor of the Exchequer on the 17th January 1849, for his consideration, before it was formally addressed to his department. The objections which I urged were, that the Minute "was open to an interpretation subversive of all legal and constitutional checks." In consequence of this communication, the Minute of the 22d December was submitted to the consideration of Sir Alexander Spearman (one of the best practical authorities that could have been consulted), who, after an interview with me, recommended several changes in the Minute to meet my objections. Those changes were adopted by the Treasury. On the 26th March 1849, the Treasury informed the Comptroller-general that amendments had been made in the Minute of 22d December, and a revised Minute was transmitted, to be substituted for the former, which was withdrawn. I should earnestly request the Chancellor of the Exchequer to compare these two Minutes, and having noted the distinctions between them, to inquire whether the practice animadverted on in this letter is not in closer conformity with the Minute which was withdrawn as objectionable, than with that which was adopted by the Treasury. The amended Minute carefully recites and maintains the principles of Parliamentary appropriation enforced by Exchequer control; the present system subverts both. That the amended Minute adheres religiously to the constitutional principle will appear from considering sections 4, 7 and 8, and more especially section 14; in which latter clause "the constitutional check exercised by the Comptroller-"general on the issue of the public money, is in all respects maintained;" and the Treasury most truly affirm their own duty to be "to ensure *that no payment is made upon the order* "*of any department, under any head of service, beyond the amount of the specific grant of* "*Parliament legally applicable thereto.*" The Minute concludes in the following significant words: "Thus, my Lords will have means of exercising that authority vested in them by the "Appropriation Act, whereby, whilst *the departments of expenditure are restrained from* "*applying any part of one specific grant in aid of another specific grant,* the Treasury, on the "other hand, in relation to *Army, Navy and Ordnance Services*, is authorised, on being "satisfied that it is *indispensably necessary*, to convey Her Majesty's sanction to the appro-"priation of the surplus of one grant to supply the deficiency on any other, provided that the "total of the grants for the particular department which applies for such sanction be not "thereby exceeded." Here is a most authoritative declaration and recognition of the principle of specific appropriation. My statement now is, that this principle is habitually and systematically endangered, or actually set aside.

The principle which, from the proceedings of the Pay Office, appears to me to prevail, but of which of course I cannot be quite accurately informed, is as follows:

That the funds in the Paymaster's hands are dealt with as a consolidated balance, from which all services, directed by the Treasury to be provided for, may be made good, with or without the requisite legal authority.

That under this system, *with or without an Exchequer Warrant*, or any special transfer or payment from the Bank, to meet a particular service, issues may be made by the Paymaster, and are made, for that service, in anticipation of funds to be subsequently appropriated, and are thus paid in the absence of all legal authority.

That in cases where such unauthorised payments are made, and the Exchequer authority is subsequently received, a *rectification or adjustment of account* takes place, and the proper vote is charged with a payment made anteriorly and without authority.

That under this system, payments are made first without authority, and at a subsequent time the authority is obtained, without which it is impossible that such payments should legally be made.

That Army, Navy and Ordnance funds may thus be used interchangeably, contrary to the express provisions in the Appropriation Acts, trusting to a subsequent rectification of accounts which shall give a legal semblance to what had previously been an illegal act.

That in like manner the civil votes may be made interchangeable within themselves, or may be made applicable to the three great services, or to the payment of charges on the Consolidated Fund, before the payment for such charges have received a legal sanction.

That issues, to defray charges on the Consolidated Fund, may be misapplied in the same manner.

That

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That in this manner payments may be made—

1. For services not voted by Parliament, or sanctioned by statute.

2. For services for which no ways and means have been provided, and which cannot therefore legally be defrayed.

3. For services, respecting which no Royal Order, Treasury Warrant and issuing letter have ever issued; or if issued, have never been sanctioned by the Exchequer as regular and conformable to law.

4. For services for which no Exchequer Warrant to the Bank of England has issued, directing a credit to the Paymaster for this particular service or head of service.

The consequence of this mode of proceeding leads inevitably to the total absence of all conformity between the actual payments and the Exchequer accounts, which are declared records by Act of Parliament. The balances returned must be erroneous, in any instances where payments are made by the Paymasters for services not voted by Parliament, or for which ways and means have not been previously granted. The state of each vote will also be equally inaccurate, if, in addition to payments made out of credits regularly granted, further payments are made, unknown to the Exchequer, and made out of balances otherwise appropriated. Utter confusion must prevail, and a double set of books must, I conceive, be kept in such cases, wherever the payments such as I have described are made; the one being the actual record of payment made without authority, the other of payment necessarily altered in date and in the head of charges, whenever the subsequent rectification or adjustment of accounts takes place; the first of these accounts will show real transactions, but all contrary to law; the second will show imaginary transactions, but all represented as conformable to law. The annual accounts submitted to Parliament by the Exchequer will be in the same way erroneous; the quarterly accounts made to the auditors, and the daily accounts rendered by the Bank to the Exchequer, will only go to produce or to support an illusory system of account.

The errors and mistakes to which this mode of transacting public business must necessarily be incident, are obvious. An account made on principles needing a periodical rectification and adjustment, never can be relied on as securing accuracy; it is, on the contrary, not only indefensible in principle, but is open to more than twofold the number of mistakes.

In case the Exchequer should refuse to sanction any irregular warrant or warrants, in which issues have already been made, by anticipation, by the Paymaster, the evil would seem to be without remedy. That this might very probably occur will be obvious, from the case of 1841, where 106 Royal Orders and Treasury Warrants, all under Sign Manual, and bearing the counter signatures of the Treasury, were set aside by the Comptroller-general, as irregular, and consequently illegal. Had payments out of balances, issued for other purposes, been then made by anticipation, not only would the statutable functions of the Exchequer have been superseded, but a misapplication of public money would have taken place, to which no existing law could have furnished a corrective. Yet it is to abuses of this character that the existing mode of issuing money for the public service not only leads, but has led. That it is directly contrary to law seems so obvious as not to stand in need of argument; Sir James Graham stated in Parliament that such was the opinion of the law officers in 1831; but should any possibility of doubt on the subject exist, I respectfully suggest the propriety of submitting the following questions to the law advisers of the Crown:

1. Is it consistent with law that issues should be made by the Paymaster, for the public service (other than out of Civil Contingencies), except where such issues have been sanctioned by an Act, or by a Resolution of Supply agreed to by the House of Commons, or except when lawfully charged on the Consolidated Fund, and in both cases specially provided for by a Ways and Means Act?

2. Is it consistent with law to make such issue, except under a Royal Order, Treasury Warrant, and Issuing Letter, in cases of Supply services, or under a Treasury Warrant and Issuing Letter, in regard to charges on the Consolidated Fund?

3. Is it consistent with law to make such payments, till the existence and the legality of the Parliamentary, the Royal, and the Treasury authorities are affirmed by the issue of an Exchequer Warrant to that effect, addressed to the Bank of England?

4. Is it consistent with law to make payments for any peculiar service, by anticipation, out of balances appropriated for other purposes, and in the hands of the Paymaster, in the expectation that the authority not existing or completed at the date of the payment, may afterwards be complete, and procured after such payment has been made?

5. Is it consistent with law to apply to one of the three great services, or to the votes of the Civil Service, sums voted for another service, for which no funds have been transferred to the Paymaster, relying on a future adjustment of account to make such payment consistent with a strict appropriation?

Believing that these questions must all be answered in the negative, as matters of law, the questions of fact will easily be disposed of by an examination of the Paymaster's accounts,

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and calling for a return of any issues or advances made for the public service, as under colour of supplies,—

1. Before any Parliamentary Vote or Appropriation Act has been agreed to.

2. Before the issue of a Royal Order and Treasury Warrant, authorising such issue.

3. Before the issue of the Exchequer Warrant, addressed to the Bank, for the like purpose.

4. (In the case of Consolidated Fund charges)—Before the issue of the Treasury and the Exchequer Warrants.

5. Return of all advances made out of the Paymaster's balances, for services not provided for in such balances, at the time of making such advances, and of any subsequent adjustments of accounts to balance such advances, and the date of making such advances, and their amount, together with the date and amount of the corresponding adjustments of accounts.

In this manner the questions of law and of fact may both be brought under the consideration of the Government.

At various times the attention of Parliament, of the Treasury, and of the Pay Departments, has been called to the danger and inconveniences of consolidating several votes for separate services, even where such consolidation was accomplished by lawful authority. In the Session of 1846, for instance, the following services were consolidated in one vote, for 57,568 *l.*, included in one Royal Order, and its accompanying Treasury Warrant:

	£.
Law charges	21,000
Mint prosecutions	10,600
Sheriffs' expenses	12,600
Insolvent debtors	13,368
	£. 57,568

The attention of the Treasury was called to this consolidation by the Comptroller-general, though it had been made by lawful authority; he remonstrated, not only on the ground of technical objections, but because the control of the Exchequer was thereby defeated, and that any one, or even three of the several services, might have been left unpaid, provided the gross sum of 57,568 *l.* were not exceeded. (*See Appendix, No. I., p.* 547.) The Comptroller-general represented the obvious duty of preserving unchanged the constitutional control of the Exchequer. The Treasury, by letter of the 5th August 1846, "expressed their concurrence in his views," and adopted his recommendation; and, although the Resolution of the House of Commons had already passed, and the Royal Order and Treasury Warrant had already issued, decided that the consolidation objected to should be corrected by the severance of the four votes in the following Appropriation Act. This was done accordingly by the 9 & 10 Vict. c. 116, s. 18.

Another very striking case occurred in the Session of 1849, in which the House of Commons itself interposed, and enforced the very same principle which had been adopted by the Treasury at the suggestion of the Comptroller-general in 1846, as has already been shown (*Appendix, Nos. VI., VII., p.* 549.) In 1849 the following five separate services were included in one vote for 702,523 *l.* 7 *s.* 8 *d.*

	£.	s.	d.
Superintendence of prisons	14,331	–	–
Prison and convict establishments	258,993	11	2
Maintenance of prisoners	127,181	7	6
Expense of transportation	72,112	13	3
Colonial convict establishments	229,904	15	9
Taken in one Vote for	£. 702,523	7	8

One Royal Order and Treasury Warrant was issued for this gross sum; the effect of which would have been to enable the Treasury to exercise what might be considered a legislative rather than an administrative power, by applying the whole sum intended for colonial transportation to convicts at home or *vice versâ*. But at the morning sitting of the 24th August 1849 the attention of the House was called to the consolidated Vote, and to the irregularity of the mode in which it was proposed. (*Appendix, No. VI., p.* 549.) After debate Sir Charles Wood, as Chancellor of the Exchequer, "promised that he would re-arrange "the Vote in the following year, and place the different classes of expenditure under their "distinct heads, if the House would then pass the Bill." The House was satisfied, the Bill was passed, and the consolidated Vote was subsequently severed, as will appear by comparing the Estimates and Appropriation Acts of 1849 and 1850. (*Appendix, No. VII., p.* 549.)

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It has already been stated that a confusion of issues and their consolidation could hardly fail to act inconveniently on the statement of the balances of accounts; of this an instance took place in August 1846. The Comptroller-general found that the Paymaster's balances, in place of being returned under each particular head of service by the Bank, were returned as *one general balance*, rendering any compliance with the ss. 23, 24, 4 Will. 4, c. 15, absolutely impossible; he therefore requested that this should be in future corrected, in order that the law should be carried fully into effect. Instructions were forthwith given by the Bank that this request should be complied with. (*Appendix, No. II., p.* 548.)

In the meanwhile it appeared that, under the looser system complained of, errors in the appropriation of sums as stated in the Exchequer Parliamentary accounts had necessarily arisen from the errors contained in the vouchers furnished to the Exchequer on which the Parliamentary accounts were founded. The Comptroller-general, therefore, felt it his duty to let this fact be known to the Legislature, to whose authority he was responsible, and an explanatory note was subjoined to the accounts, and will be found in the *Appendix, No. IV., p.* 549. These irregularities he endeavoured to check, and to prevent, so far as his official functions permitted him to do so; and the result was made known to Parliament in a second note, subjoined to the Exchequer account of 1847. (*Appendix, No. V., p.* 549.) It is necessary, however, to explain, that in certifying the "accuracy of issues," he only referred to the issues as directed by the Exchequer Warrants, and not to payments made by the Paymaster-general.

In May 1848, finding that errors had arisen in the Paymaster's balances, which were exhibited when the general balance came to be severed under the several heads of service, an inquiry took place by the Chief Accountant of the Exchequer, in conjunction with an officer of the Paymaster's office; the result of which was that 60,000*l.* were required to be added to the Army Exchequer balance, and 100,000*l.* to be deducted; that 106,000*l.* had to be added to the Navy Exchequer balance, and 50,000*l.* deducted; and in like manner 16,000*l.* were added to, and 176,000*l.* deducted from the Ordnance. It is right, however, to add that, in a single case within the Exchequer, one of these errors had arisen by a clerical mistake, by which, June 13, 1845, a payment of 10,000*l.* had been placed to Army, and not to Navy Services. The particulars of this investigation, and its results, are all stated in the *Appendix, No. XII., p.* 552. All these practices, which the Parliament, the Treasury, and the Exchequer dealt with as objectionable, even when sanctioned by lawful authority, can now be done, and by the present system of payments are now habitually done, without any colour of law.

The object of the preceding references and remarks is to show how scrupulously the principle of specific appropriation has been enforced by law, by the House of Commons, by this department, and recognised by minutes and decisions of the Treasury. The deviations from the lawful practice on which this paper animadverts, arise from the habit of issuing, without legal sanction, from one general balance, on account of services for which no Exchequer credits have been given, and consequently for which no funds are placed in the Paymaster's hands. That this takes place systematically is plain from the documents before me, as well as from a fact coming within my own personal knowledge, to which I shall advert hereafter. But it is first necessary to guard against a misconception which might arise possibly from an expression contained in the amended Minute of 22d December 1848, in which it is stated that "the Paymaster's balances have hitherto been considered as "a general fund, applicable to the payment of all current services" (sect. 12); and it might be suggested, however erroneously, that these words are a warrant in justification of the practices objected to. The reply is obvious, and irresistible. By "current services" can only be meant current services legally provided for, and sanctioned by all the requisites rendered necessary by law. A demand for army, navy, ordnance, or the Civil Service, could not be held a current service payable out of the public money, till every previous condition required by statute had been expressly fulfilled. Any other interpretation would not only be indefensible, upon reasoning most elementary but most conclusive, but would be repugnant to the Exchequer authority, affirmed fully in the same Minute, s. 4, which declares "the "course to be followed preparatory to the issue of credits in favour of the Paymaster-general, "to be as pointed out by the 4 Will. 4, c. 15; and the Minute of the 26th September 1834, "issued in pursuance thereof." It would be still more repugnant to the conclusive assertion of the binding obligation of the strict Parliamentary appropriation, contained in s. 12 of the same Minute, on which I have already commented. It will be shown by the returns which I have already suggested as necessary to be called for, to what extent the system of unauthorised payments, and of subsequent adjustments of accounts, has been carried. But more direct evidence on the subject may be required from me, to prevent the supposition that my reasoning rests on vague hypothesis. This I can easily furnish, in a few illustrative cases. I believe it will be found that the annuities and pensions charged on the Consolidated Fund are pretty generally paid when due. I have inserted in the *Appendix, No. X., p.* 551, an account showing the quarterly amount of such charges, and the date at which the Treasury first applied for and obtained the legal warrant for such payments. By calling for an account of the payments actually made, with their dates, and comparing them with the date of the Exchequer Warrant, it will be at once shown how many payments were made without authority, out of funds otherwise appropriated, and requiring a subsequent re adjustment. So of the salaries and allowances on the Consolidated Fund, an example of which may be found in the October quarter, 1853: these charges were due on the 10th October, but the Exchequer Warrant was not obtained till November 9th. It is clear that all payments for these services made between those days were unauthorised; were made

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out of funds otherwise appropriated; that they could not be charged, when made, to a credit which had not then been issued; that they must, if the entry is made truly and at the time, have been charged to some other fund, to be reimbursed, repaid, and adjusted. *My own salary as Comptroller-general, is among these charges, and I find it has been paid, in some instances, to my bankers before any Exchequer Warrant had authorised the payment; and I have no doubt whatever that the same practice will be found to prevail through this head of payments,* and will be traceable likewise in the charges for Courts of Justice, the diplomatic, and other services provided for in like manner.

In the preceding part of this memorandum it has been proposed to show, (1) What the law is, and what are the legal restraints imposed on the Government in respect to the issue of the public money; (2) what is the present system of financial administration, and its tendency to set aside all legal restraints; and (3) to prove by examples that such misapplications do at present take place. It has been shown that the present system substitutes for Parliamentary law and the Appropriation Act, the order of the Treasury and the unquestioning obedience of officers holding during pleasure. It has been shown that irregularities and confusion in the public accounts are the actual and inevitable consequences, and that the public accounts rendered to Parliament no longer truly represent the public payments. All this seems to me to have been incontestably proved, but if doubts should be still entertained, I have suggested the mode for determining both the law and the fact.

A few practical observations, in conclusion, seem all that is now required, in order to make an immediate application of this argument to the present time, and to its peculiar exigencies. War must necessarily require heavy and unforeseen issues to be made on the instant, in satisfaction of foreign demands. These difficulties are now to be encountered, after the ordinary votes for Army Extraordinaries have for many years ceased; when all payments, military as well as civil, are concentrated in one single department; placed nominally under the control of a great officer of State, but really conducted by an able, and, I believe, a highly trustworthy clerk, who carries into effect implicitly the orders of the Treasury. The Paymaster-general, however, continues to be legally responsible. The last Bank Charter Act may render the aid formerly derived from that corporation, doubtful and dangerous in many cases, impossible in others. The millions withdrawn from the Exchequer, in payment for Exchequer bills, and to satisfy the holders of South Sea Stock, have crippled our resources, and have lessened our readiest means of meeting the present crisis. It is also intended to add to the duties of the Exchequer and Pay-office the receipt and expenditure of about 4,000,000*l.*, being the charge for the collection of the revenue, a charge which will render it still more difficult, but more important, that a strict appropriation should be adhered to. In addition to these important and significant facts, a loose system of issuing the public money has been introduced, and is gradually extending. All this, I submit, is full of danger. The Treasury seems to me giving a fatal example to all the subordinate financial departments of an open violation of the law. The law is fully known and understood; a contrary practice is open and avowed, and comes within the cognizance of every clerk of the Treasury, of the Exchequer, of the Pay-office, of the Bank of England, and it is to be hoped, for the sake of the public interest, within the cognizance of the Audit-office likewise. The law and the practice should assuredly be brought into exact conformity. The one should be repealed, or the other reformed. A system of issues made from one appropriated balance to another service unprovided for, a misapplication of balances to be remedied by subsequent *alteration or rectification of accounts,* would not be tolerated in any private banking or commercial establishment in the City of London; and even if it were not illegal, would be condemned as imprudent and inexpedient in the highest degree. It is a system which, if not corrected, will necessarily extend, especially in time of war; and may ultimately produce a crisis, in which the absolute powers of restraint vested in the Exchequer must necessarily be called into action, at a time when the performance of such an unavoidable duty will lead to public inconvenience. When the last Pay-Office Consolidation Bill was in the House of Lords, I proposed a clause, *declaring and enacting* that no Treasury Orders should issue under the Act which might sanction a departure from the legal system of Exchequer control and Parliamentary appropriation. The Duke of Wellington spoke, and earnestly dissuaded me from pressing a clause to guard against what he could only consider to be an imaginary danger, as he felt assured that no Government would ever be found to issue an order so unjustifiable. Lord Granville will remember this discussion, he having then charge of the Bill. I did not take the sense of the House on the clause, but withdrew it. I was content to record it on the Journals, in justification of my own opinion. It will not, I presume, be seriously stated that the legislative restraints all apply, and apply exclusively, to prevent the undue issue of public money *into the hands of the Paymaster;* but that, once in his hands, that money may be indiscriminately applied to any purposes, whether legally sanctioned or not, as may be directed by the Treasury. This would indeed be a dispensing power, setting aside all law, and all constitutional restraint. It would amount to a repeal of the Exchequer Act and of the Appropriation Act; and if rashly asserted, could not be defended effectually in a British House of Commons.

To meet the risks of war expenditure, there will be required a steady exertion of the legal powers of the Treasury, which should never be exceeded; an experienced and vigilant revenue room, a cessation of all unauthorised payments, and a careful separation of the Paymaster's accounts hereafter, kept in consistency with the real disbursements, controlled by an uncompromising and undeviating enforcement of the prescribed functions of the Exchequer.

quer. This may avert the many and complicated difficulties I anticipate, but it will require this combination to avert them. Exchequer Memorandum, 1854.

The Paymaster's balances will be increased from day to day, and the Exchequer balances be reduced, contrary to the distinct terms of the Treasury Minute. (*Appendix, Nos. VIII., IX.*, p. 550.) As between the 17th October and the 10th December, 3,128,000 *l.* of Exchequer bills were placed to his credit, (1,413,000 *l.* having been deposited to his credit in one single day,) these great balances will be indiscriminately drawn upon, by order of the Treasury, and a system irreconcilable with the Parliamentary Constitution of England will be acted on, difficult to defend, and impossible to justify.

Monteagle,
Comptroller-General.

Exchequer, 10 February 1854.

P.S. Since the preceding memorandum has been put in type, the Comptroller-general has read with satisfaction the Auditor's Report on Naval Expenditure, dated the 24th January 1854, and the consequent Treasury Minute. These important documents bear out, to the fullest extent, the legal and constitutional doctrine on which the Comptroller-general has insisted, and which he earnestly suggests ought to be invariably adhered to. It appears that the Admiralty had entered into a contract to pay 10,000 *l.* for the use of a patent screw-propeller. No provision had been made for this sum in the Estimate of 1852–53. The Admiralty applied to the Treasury for permission to pay it out of the surplus unexpended on certain votes, under the enabling clause in the Appropriation Act. This application the Treasury declined to sanction, directing that the 10,000 *l.* for this service should be included in the Estimates for 1853–54. But as a contract had been actually made, to complete this payment an advance of 10,000 *l.* was given from Civil Contingencies, to be repaid out of the sum proposed to be voted. This is not only the strongest condemnation of the principle that would have permitted the payment for such a service, by the Paymaster, out of a general balance, but is a conclusive affirmance of the opposite and more correct principle, namely, that of an invariable adherence to the strict Parliamentary appropriation, carried into effect with the several sanctions prescribed by law.

Let this principle govern the Paymaster's issues throughout, and all irregularities, to be corrected by future "*adjustments and rectifications*," will cease.

APPENDIX.

No. I.

Exchequer, 31 July 1846.

My Lords,

I BEG to call your Lordships' attention to the Royal Order and Treasury Warrant of the 18th July, acted upon by your Lordships' letter of the 22d instant.

These documents introduce a new practice, which I think will be found inconsistent with the mode in which the public business has heretofore been transacted, and the public accounts kept, both at the Exchequer and the Bank of England; and which deprives this office of the power of seeing that sums granted for particular services are not exceeded.

The Royal Order and Warrant in question consolidate in one sum of 57,568 *l.* four separate grants, heretofore kept separate and distinct: they are as follows,—

Law Charges, paid by Treasury Solicitor - - - -	£. 21,000
Mint Prosecutions - - - - - - - -	10,600
Sheriffs' Expenses, Officers of Exchequer - - - -	12,600
Insolvent Debtors' Court - - - - - - -	13,368

These sums, amounting in the aggregate to 57,568 *l.*, are applicable to four separate heads of expenditure, kept in this office and at the Bank under separate accounts. There are also four distinct accountants, your Lordships' solicitor, Mr. Maule; Mr. Shiel, as Master of the Mint; Mr. Sargent, as Paymaster of Civil Services; and Mr. Massey, the Chief Clerk of the Insolvent Court.

On some of these accounts balances still remain to the credit of the accountant. If that separate account be kept, it will be difficult and inconsistent to combine with it issues from the new account proposed to be *opened* for 57,568 *l.*

Besides these technical objections, your Lordships will observe that the control of this department ceases altogether in respect to the appropriation of this sum between these four several heads of service. Provided the total sum of 57,568 *l.* be not exceeded, the whole vote might be expended on any one of these heads and the three others left unprovided for; the sum intended for the Insolvent Court might be issued to your Lordships' solicitor; or the Mint might absorb what had been provided for the expenses of sheriffs.

Exchequer Memorandum, 1854.

I therefore beg to represent to your Lordships, that both from the necessity of adhering to established practice, from the expediency of avoiding complex and confused accounts, and from the obvious duty of maintaining unchanged the constitutional control of the Exchequer, the more regular system should be in future pursued.

If your Lordships shall concur in these observations, the present period of the Session seems to me to afford the means of acting upon them in the case I have brought before you, and this without much difficulty, and in a legitimate manner. If in the Appropriation Act the four separate votes and heads of service are recited distinctly, and that, in the meanwhile, I receive your Lordships' authority to make the issues and keep the accounts in the accustomed manner, I conceive this will be sufficient to govern me.

I have, &c.
Monteagle,
Comptroller-General.

The Lords of the Treasury,
&c. &c. &c.

My Lord, Treasury Chambers, 5 August 1846.

The Lords Commissioners of Her Majesty's Treasury having had before them your Lordship's letter, dated 31st ultimo, calling their attention to the Royal Order and Treasury Warrant of the 18th ultimo, in which are included in one sum of 57,568 *l.* four separate grants, heretofore kept separate and distinct, I am directed by their Lordships to state that they concur in the view which your Lordship has taken of the subject, and have given directions for the heads of expenditure referred to being stated separately in the Appropriation Act, till which time their Lordships request that you will make the issues and keep the accounts in the accustomed manner.

I am, &c.
C. E. Trevelyan.

The Comptroller-General of the Exchequer.

No. II.

Gentlemen, Exchequer, 24 August 1846.

I beg leave to call your attention to the Exchequer Account of the Paymaster-general, as to the mode in which the balance on his accounts is returned by you to this office, in your quarterly statement of "Balances of Public Accountants."

In the statements alluded to, one general balance is given on the Paymaster-general's accounts, kept at the Bank of England. By the 23rd section of the Act 4 Will. 4, c. 15, the balances on each head of service, according to credits granted by the Comptroller-general, are required to be stated in the accounts transmitted annually from this department to Parliament. I have therefore to request that in future you will give directions for the Exchequer Balances to be stated separately, so as to enable me effectually to comply with the provisions of the said Act.

I have, &c.
Monteagle,
Comptroller-General.

The Governor and Deputy Governor,
Bank of England.

My Lord, Bank of England, 28 August 1846.

I have the honour to acknowledge the receipt of your Lordship's letter of the instant (no date), suggesting certain alterations in the present mode of returning the Balances of the Exchequer Account of Her Majesty's Paymaster-general; and in reply, I am directed to state that instructions have been given to the proper officers of the Bank to make the future returns in question, in conformity with your Lordship's suggestion.

I have, &c.
W. Marshall,
Chief Cashier.

The Right Hon. the Lord Monteagle,
&c. &c. &c.

No. III.

Extract from the Comptroller-general's Draft Letter to the Treasury, dated 16th January 1849.

This Letter will be found at pages 532 and 533.

My

Exchequer Memorandum, 1854.

My Lord, Treasury Chambers, 26 March 1849.

The Lords Commissioners of Her Majesty's Treasury having made certain amendments in their Minute, dated the 22d December last, for the government of the office of Her Majesty's Paymaster-general, I am commanded to transmit to your Lordship the accompanying copies of the revised Minute, and I am to request that you will cause the same to be substituted for the copies sent with the letter from this Board, dated the 22d December last, and the last-mentioned copies to be returned to this office.

I am, &c.
C. E. Trevelyan.

To the Comptroller-General
of the Exchequer.

No. IV.

Note to the Parliamentary Account, for the year ended 5th April 1847.

Note.—The total of these three sums is strictly accurate; but the apportionment between the departments of *Army*, *Navy* and *Ordnance* is now under investigation, and may be subject to future correction.

No. V.

Note to the Parliamentary Account, for the year ended 5th April 1848.

Note.—To the Annual Account of the 23d April 1847, the following note was subjoined, as explanatory of the issues for Army, Navy and Ordnance Services:—"The total of these "three sums is strictly accurate; but the apportionment between the Army, Navy an "Ordnance is now under investigation, and may be subject to future correction." By regulations made by the Comptroller-general, in conjunction with the Bank of England, the Paymaster-general's balances, which had been formerly given in one sum, are now separated under distinct heads: the corrections alluded to in the note above recited have been carried into effect, and the probability of any similar error in future has been avoided. It is to be understood, however, that no inaccuracy whatever had taken place in the issues, or in the authority under which they were made, but only in the mode in which these issues were recorded.

No. VI.

Morning Sitting, Tuesday, 24 July 1849.

Consolidated Fund Bill.

Mr. Hume called the attention of the Committee to the irregularity of the vote of 702,523 *l.*, under the head of "Law and Justice."

Sir George Grey replied, that he supposed it arose from the recommendation of the Committee on the Miscellaneous Estimates.

Mr. Vernon Smith and Mr. Henley, on the part of the Committee on Miscellaneous Estimates, did not acquiesce in the view taken by Sir George Grey.

The Chancellor of the Exchequer promised he would re-arrange the vote next year, and would place the different classes of expenditure under distinct heads, if the House would pass the Bill in its present form.

No. VII.

Prisons and Convict Services, &c.

Anno 1849.

Extract from Estimates for 1849.

	£.	s.	d.
Superintendence of Prisons - - -	14,331	–	–
Prison and Convict Establishments -	258,993	11	2
Maintenance of Prisoners - -	127,181	7	6
Expenses of Transportation - -	72,112	13	3
Convict Establishments in the Colonies	229,904	15	9
	£. 702,523	7	8

Taken in one vote. Ret. Ho. of Comm., 4th June 1849, and Approp. Act, 12 & 13 Vict. c. 98.

Anno 1850.

Extract from Estimates for 1850.

	£.	s.	d.
Superintendence of Prisons - -	14,550	–	–
Prisons and Convict Establishments	237,224	–	–
Maintenance of Prisoners - -	135,848	–	–
Expenses of Transportation - -	119,230	–	–
Convict Establishments in the Colonies	200,147	–	–
	£. 706,999	–	–

Voted separately. Approp. Act, 13 & 14 Vict. c. 107.

Exchequer Memorandum, 1854.

No. VIII.

BANK BALANCES of Exchequer Credits, on the 5th January 1854.

	£.	s.	d.
Agent-general for Crown Colonies, G. Baillie, Esq.	2,215	19	–
Inclosure Commissioners' Drainage	24,630	–	–
Chief Clerk of the Insolvent Debtors' Court	386	7	3
Master of the Mint—Bullion, &c.	51,356	16	3
,, Expenses	3,302	4	9
Comptroller of the Stationery Office	2,722	1	4
	£. 84,613	8	7

(Examined) *T. Kent*, Cashier.

No. IX.

Exchequer Bills (part of) £.17,742,500; Supply, anno 1853, per Act 16 Vict., c. 25, were issued for the following Services, viz.—

To the Governor and Company of the Bank of *England*, to be placed to the Account of the Paymaster-general.

	1853:	£. s. d.	£. s. d.
Army Services	October - 17	100,000 – –	
	,, - 24	55,000 – –	
	,, - 24	95,000 – –	
	November - 26	350,000 – –	
	December - 10	400,000 – –	
			1,000,000 – –
Navy Services	October - 17	150,000 – –	
	,, - 24	140,000 – –	
	November - 26	240,000 – –	
	December - 10	500,000 – –	
			1,030,000 – –
Ordnance Service	October - 17	50,000 – –	
	,, - 24	75,000 – –	
	November - 26	230,000 – –	
	December - 10	185,000 – –	
			540,000 – –
New Houses of Parliament	October - 24	– – –	15,000 – –
Consuls Abroad	,, - 24	20,000 – –	
,, ,,	December - 10	5,000 – –	
			25,000 – –
Harbours of Refuge	November - 26	– – –	90,000 – –
Holyhead Harbour, &c.	,, - 26	– – –	40,000 – –
County Rates	,, - 26	– – –	50,000 – –
Kafir War	December - 10	– – –	200,000 – –
Prisons and Convict Establishments	,, - 10	– – –	10,000 – –
Transportation of Convicts	,, - 10	– – –	5,000 – –
Buildings—British Museum	,, - 10	– – –	6,000 – –
Superannuations, &c.	,, - 10	– – –	30,000 – –
Salaries—Two Houses of Parliament	,, - 10	– – –	12,000 – –
,, Treasury	,, - 10	10,000 – –	
,, ,,	,, - 30	600 – –	
			10,600 – –
,, Home Office	December - 10	– – –	6,000 – –
,, Foreign ditto	,, - 10	– – –	12,000 – –
,, Colonial ditto	,, - 10	– – –	10,000 – –
,, Privy Council ditto	,, - 10	– – –	15,000 – –
,, Poor Law Commissioners	,, - 10	– – –	10,000 – –
,, Paymaster-general's Office	,, - 10	– – –	5,900 – –
,, Office of Woods, &c.	,, - 10	– – –	5,500 – –
		£.	3,128,000 – –

Exchequer Memorandum, 1854.

No. X.

Issues from Consolidated Fund.

Consolidated Fund, Quarterly Charges.	Date of Treasury Warrant.	Amount of Treasury Warrant.	Date of Comptroller-General's Credits.	Amount of Comptroller-General's Credits.	
		£. s. d.		£. s. d.	£. s. d.
Annuities and Pensions - - -	11 Oct. 1851	82,568 19 2	Oct. 13	20,000 – –	
			„ 20	40,000 – –	
			„ 31	22,568 19 2	
					82,568 19 2
„ - - -	6 April 1852	77,004 1 4	April 19	Issued in full -	77,004 1 4
„ - - -	6 July „	77,562 19 10	July 16	Issued in full -	77,562 19 10
„ - - -	6 Jan. 1853	76,701 11 2	Jan. 13	50,000 – –	
			„ 17	26,701 11 2	
					76,701 11 2
„ - - -	6 April „	77,750 17 8	April 16	40,000 – –	
			„ 21	37,750 17 8	
					77,750 17 8
„ - - -	6 July „	77,530 6 5	July 16	25,000 – –	
			„ 18	52,530 6 5	
					77,530 6 5
„ - - -	11 Oct. „	77,604 18 2	Oct. 15	50,000 – –	
			Nov. 9	27,604 18 2	
					77,604 18 2
Salaries and Allowances - -	6 April 1852	47,888 6 –	April 20	First Issue -	43,088 6 –
„ - - -	6 July „	52,991 5 5	July 19	- „ -	45,162 3 7
„ - - -	6 Jan. 1853	44,902 17 1	Jan. 13	- „ -	39,052 17 1
„ - - -	6 April „	45,652 19 5	April 18	- „ -	40,752 19 5
„ - - -	6 July „	49,476 18 10	July 19	- „ -	41,547 17 –
„ - - -	11 Oct. „	49,062 16 5	Nov. 9	- „ -	44,002 16 5
Courts of Justice - - - -	6 April 1852	96,227 – –	April 28	50,000 – –	
			May 6	45,200 8 8	
			„ 24	1,026 11 4	
					96,227 – –
„ - - -	6 July „	65,397 15 5	July 19	Issued in full -	65,397 15 5
„ - - -	6 Jan. 1853	70,167 9 7	Jan. 14	50,000 – –	
			„ 29	15,000 – –	
			March 21	5,029 10 11	
					70,029 10 11
„ - - -	6 April „	103,989 17 1	April 18	60,000 – –	
			May 7	43,989 17 1	
					103,989 17 1
„ - - -	6 July „	72,463 17 8	July 18	Issued in full -	72,463 17 8
„ - - -	11 Oct. „	118,362 10 8	Nov. 8	- - -	117,947 4 –
Diplomatic Services - - -	6 April 1852	41,675 10 –	May 6	6,675 10 –	
			„ 20	32,252 19 1	
					38,928 9 1
„ - - -	6 July „	41,610 6 4	July 19	6,610 6 4	
			Aug. 12	31,480 13 7	
					38,090 19 11
„ - - -	6 April 1853	40,741 – –	April 18	5,741 – –	
			„ 30	31,494 12 8	
					37,235 12 8
„ - - -	6 July „	40,877 18 11	July 19	5,877 18 11	
			Aug. 1	30,000 – –	
			„ 4	2,053 13 1	
					37,931 12 –
„ - - -	11 Oct. „	40,333 10 –	Nov. 9	5,3[illegible]	
			„ 14	31,755 2 9	
					37,089 2 9

No. XI.

CLAUSE

To be proposed on Third Reading by the Lord Monteagle of Brandon, 11 August 1848—"Lords' Journals," vol. lxxx., p. 782.

"Provided always, and be it further declared and enacted, that nothing contained in "this Act, or in an Act passed in the fifth and sixth year of the reign of his late Majesty "King William the Fourth, intituled, an Act for consolidating the offices of Paymaster-"general, Paymaster and Treasurer of Chelsea Hospital, Treasurer of the Navy, Treasurer "of the Ordnance, shall be deemed, construed, or applied so as to permit in any manner "the issue or payment of any sum or sums of money appropriated under the annual Acts

Exchequer Memorandum, 1854.

"for the appropriation of the supplies granted to Her Majesty, or charged on the Consolidated Fund for specific purposes, or issuable and applicable under any Act of Ways and Means, to any uses or purposes other than those to which they are made specially applicable and to which they are appropriated as aforesaid." After short debate, clause, by leave of the House, was withdrawn.

No. XII.

My Lord, Exchequer, 9 May 1848.

In compliance with your Lordship's directions, I beg to report upon the circumstances respecting the errors that have arisen in the balances on the Paymaster-general's Account at the Bank of England.

On the 10th October 1846, by a new arrangement, the general Balance returned by the Bank of England was divided under the respective heads of Services of Army, Navy and Ordnance; these were found to differ with the Exchequer Balances. Upon communicating with the Paymaster-general's Office, it was ascertained how these errors had arisen. I examined the books of the Paymaster-general, with Mr. Paterson the book-keeper, and compared the entries with the vouchers returned to that office from the Bank of England. The annexed statement shows the result of that investigation.

I have, &c.
Geo. Frederick,
Accountant.

The Right Hon. Lord Monteagle,
&c. &c. &c.

	To be added to Army Exchequer Balance; *or to be deducted from Army Balance.*	To be added to Navy Exchequer Balance; *or to be deducted from Navy Balance.*	To be added to Ordnance Exchequer Balance; *or to be deducted from Ordnance Balance.*
	£.	£.	£.
Pay.-Gen.'s Error 1842, Aug. 29.—Write off marked Navy instead of Army	15,000	15,000	—
„ „ Dec. 12.—Write off marked Navy instead of Army	10,000	10,000	—
Bank Error - 1843, Jan. 20.—Returned by Bank to Exchequer as Navy in place of Ordnance - -	- - -	1,000	1,000
Pay.-Gen.'s Error 1844, Feb. 21.—Write off marked Navy instead of Ordnance - - - - - -	- - -	5,000	5,000
„ 1845, April 17.—Write off marked Navy in place of Army - - - - - -	22,000	22,000	—
Exchequer Error „ May 13.—Carried to account by Exchequer as Navy in place of Army - -	10,000	10,000	—
Bank Error - „ June 13.—Returned by Bank as Army in place of Navy - - - - -	12,000	12,000	—
„ „ „ 28.—Returned by Bank as Army in place of Navy - - - - -	38,000	38,000	—
Pay.-Gen.'s Error „ „ 30.—Write off marked Navy in place of Army - - - - -	12,000	12,000	—
„ „ Nov. 3.—Write off marked Army in place of Ordnance - - - - -	10,000	- - -	10,000
„ 1846, May 14.—Write off marked Navy in place of Army - - - - - -	18,000	18,000	—
Bank Error - „ June 18.—Returned by the Bank as Navy in place of Army - - - - -	13,000	13,000	—
To be added - - - -	60,000	106,000	—
To be deducted - - -	100,000	50,000	16,000
Excesses to be added - - -	- - - -	56,000	—
To be deducted - - - -	40,000	- - -	16,000
Exchequer Balances on the 10th October 1846, as resulting from the return of Payments made by the Bank of England to the Exchequer, with the exception of the above error, on the part of the Exchequer on 13th May 1845 - - - - - - - - - - - - - -	490,000	591,000	176,000
Correct Balances of the Paymaster-general's and Exchequer Accounts on the 10th October 1846, after rectifying the above errors - - - -	450,000	647,000	160,000

Those Sums underlined to be deducted.

Comptroller-General's Minute.

Read Mr. *Frederick's* Report, of 9 May 1848.

Whilst the Comptroller-general regrets that any inaccuracies should have crept into the accounts from any cause whatever, it is yet satisfactory to him that it did not arise from any part of the system adopted in his Department, but from the mode of consolidating the Paymaster-general's accounts at the Bank of England, since corrected by the Comptroller-general's interposition on the 24th August 1846; and that even in relation to these errors of detail,

Exchequer Memorandum, 1854.

detail, not involving the totals of the sums issued, out of twelve cases between 1842 and 1846, only one case can be traced to the Exchequer.

The Comptroller-general adverts to the note appended to the annual Exchequer Parliamentary Accounts for 1847 and 1848, in which this matter is noted and referred to.

Let Mr. Frederick make the necessary entries in the books to record these errors and their correction: taking care, however, that no interlineation or erasure is allowed in the accounts, and that such new entries be made in red ink.

Monteagle,
Comptroller-general.

Remarks on Exchequer Memorandum.

REMARKS by Mr. *Anderson* on Lord *Monteagle*'s MEMORANDUM on the EXCHEQUER.

Improvements introduced since 1830.

THERE is probably no period of equal duration in the history of this country, in which such solid progress has been made in promoting the objects of constitutional control and legal appropriation of the public money, and in simplifying the system of public accounts, and in which a more durable foundation has been laid for further progressive improvement, than that which has elapsed since the accession of Lord Grey's Government in 1830. Prior to that date, the principles of appropriation were imperfectly understood, and were still more imperfectly acted on; and Parliament itself, by not insisting on the production of accounts of actual expenditure, showing the appropriation of the grants, seemed indifferent to a rigid adherence to the provisions of the Appropriation Act. The results of this laxity showed themselves in the state of the public accounts. In none of the large departments of expenditure were satisfactory accounts kept, showing the appropriation of the annual grants of Parliament; and the inevitable consequences were defective estimates, and errors of appropriation. The first practical steps taken to establish the authority of Parliament originated in the Naval Department in 1831, when Sir James Graham was First Lord of the Admiralty. He began by reforming the system of accounts, being satisfied that strict appropriation was unattainable without true accounts. He then revised the classification of the naval expenditure, and framed the Naval Estimates in accordance therewith. To secure a due appropriation of the votes for the navy to the particular branches of the service for which they had been granted, he introduced clauses in an Act for the Consolidation of the Civil Departments of the Navy, by which the Lords of the Admiralty were required to prepare an annual account of the naval expenditure, compared with the grants under each of the votes of the Navy Estimates; and, in order to fix their responsibility to Parliament for the legal application of the monies granted for the naval service, it was enacted, that the account should be examined, with the vouchers, by an independent authority, the Audit Board, and that this account, with the report of examination, should be laid before Parliament.

Commenced in the Admiralty.

Extended to Army, Commissariat and Ordnance.

After these measures had been fully tested for several years in the Naval Department, and the success of the naval system of account and control had been clearly established, similar steps were taken with the accounts and votes of the Army, and at a subsequent period with those of the Commissariat and Ordnance Departments; and an Act was passed in 1846, under which the annual accounts of those departments have been examined and certified by the Audit Board, and laid before Parliament.

Regulation of Commissariat Chest Account.

There still remained, however, for investigation and revision, a very intricate and important account; viz., that for "Army Extraordinaries," which is referred to in the Exchequer Memorandum (p. 540), as having formerly rendered "the votes of Parliament, and the bills for appropriating the supplies, ridiculous and nugatory." To organise the details of this account, which embraced public services of every description, and current accounts with numerous public departments, for receipts, payments and advances on their account in all the British Colonies, was an undertaking of considerable difficulty. The Army Extraordinaries had, however, in former times, been the cover for so much abuse, had been the subject of so much suspicion in Parliament, and were still the cause of so greatly unsettling the Paymaster-general's balances, that the Treasury determined to grapple with the difficulty; it was, moreover, so essential to the completion of the system of control and audit in progress, that the transactions of the Military Chests should be thoroughly sifted, and the results annually submitted to Parliament in a comprehensive and intelligible account, which should be above suspicion, that the task of reducing them to order was assigned to the Audit Board itself. The very successful manner in which this essential part of the general scheme of Naval and Military Account and Audit has been advanced to completion is shown in a Return annually submitted to Parliament under the title of the "Commissariat Chest Account."

Result of these improvements.

The result, therefore, of all these practical reforms is, that in the period referred to, the whole naval and military expenditure of the country has been brought under strict and uniform rules of appropriation and account, and that statements certified by an independent Board have been annually laid on the table of the House of Commons, showing in aggregate and in detail the appropriation of the monies granted for those services. With this unimpeachable evidence in existence, printed and promulgated every Session, no reasonable doubt can be entertained that the appropriation of the large grants annually made for those services has been strictly legal and constitutional. A contrary opinion cannot be advanced, without impugning the administration of the Lords of the Admiralty, the Secretary-at-War, and the Board of Ordnance, and without questioning the truth of the certificates of the

Remarks on Exchequer Memorandum.

Audit Board. Nor can any charge be fairly directed against the Treasury and the Pay Office, because the Treasury has little direct control over those large portions of the public expenditure, the Pay Office none. Any charge of misappropriation and violation of the law could only apply to the Naval and Military Departments, because they alone have control over and are responsible for the detailed application of the sums granted to them.

As the greater part of the Exchequer Memorandum refers, not to the temporary mixing of Exchequer credits in a common cash balance (which is merely a measure of public security and economy, and which will be commented on in the sequel), but to the actual misappropriation of the public money, by expending it for services "not voted or addressed for in Parliament," and as in the memorandum the danger of these irregularities is fixed upon the Treasury and the Pay Office, it becomes necessary to show how far the power as well as the temptation to misapply the votes exists in those departments.

Authority for Army issues.

The principal votes in supply are for naval and military services. 1st. The monies granted for Army and Militia services are under the control of the Secretary-at-War. Parliament grants the money to the Crown, and a Royal order directs the Paymaster-general to pay upon warrants signed by the Secretary-at-War within the limits of the respective grants. The Treasury has no power to draw upon these grants, and the best security which the public has against the misapplication of them by the Paymaster-general under the directions of the Treasury, is that the Audit Board would disallow, in his accounts, any payment made upon an order not drawn in conformity with the law.

Authority for Naval issues.

2dly. Again, the whole of the votes for naval services are expended upon orders issued from the Naval Department. An order from the Treasury to pay out of a naval vote would be contrary to Act of Parliament, and would not be complied with by the Paymaster-general, or, if complied with, would be disallowed in his accounts by the Audit Board.

Authority for Ordnance issues.

3dly. The Ordnance votes are paid away upon orders emanating from the Master-general and Board under the authority of their patent. A Treasury authority to pay out of an Ordnance vote would not therefore be a valid one in the Paymaster-general's accounts, and would be rejected by the auditors accordingly.

Commissariat Votes.

There is one service, however, forming part of the military expenditure, which is conducted by officers placed under the control of the Treasury, namely, the Commissariat Branch. But a closer examination of this service will show how limited is the power which it places in the hands of the Treasury. The purchases of provisions, forage, fuel and light, and the expense of transport, are regulated by numbers, and by the movement of troops. The military authorities are, therefore, in reality, responsible for incurring the expenditure, and the duty of the Treasury is to provide, pay, and, as far as possible, to control; no power of misappropriation exists. The troops in the Colonies must be victualled, forage and transport must be provided, and no larger sum is voted than is absolutely necessary for these objects. Moreover, the Commissaries' cash and store accounts are rendered direct to the Audit Board, by whom the classified returns of payments are compiled, upon which the accounts of nearly the whole of that expenditure are prepared, so that any introduction of an improper charge is impracticable.*

Miscellaneous Votes.

An examination of the votes for miscellaneous civil services will prove that the detailed application of those grants by the Treasury is comparatively limited.

Public Works, &c.

The first class relates to public works and buildings. The scale of expenditure to be submitted to Parliament is indeed proposed under the responsibility of the Treasury, but the votes themselves are expended under the direction of the departments charged with the duty of carrying on the works. The responsibility for the proper execution of the works and for keeping the expenditure within the limits of the Parliamentary grants rests with those departments, and the duty of the Treasury is to guard against their incurring liabilities in excess of those grants.

Salaries of Public Departments.

The second class relates to the salaries of the Houses of Parliament and of various public departments. There is no margin in these votes for any misappropriation; each department will take care to have its quota, and there is no danger that one department will go unpaid to provide the means of paying another a larger sum than Parliament has voted for it.

Law and Justice.

The third class relates to "Law and Justice." The expenses of Government prisons and convict hulks, of transportation, conveyance of prisoners, law charges, and the other expenses included in this division of the estimates, are not incurred by the Treasury; by far the greater portion of these expenses is incurred under the direction of the Secretaries of State for the Home Department and for Foreign Affairs, and of the directors of convict prisons; the remaining expenses in these estimates are examined before payment at the Treasury. The Lords of the Treasury control this branch of expenditure as far as possible; but as the expenses are incurred under the direction and responsibility of other departments, and money must be provided to meet their demands to the full extent of the grants, the Treasury would only embarrass themselves by any act of misappropriation which would deprive them of the means of meeting those demands.

Education, Science and Art.

The fourth division of the Miscellaneous Estimates relates to "Education, Science and Art." These votes are in like manner under the direction of separate departments, the duty of the Treasury being to provide funds or authorise payments on the requisitions of such departments. The Committee of Council on Education, the Board of Trade, the Trustees of the British Museum, and the Board of Works, are intrusted with the application of their respective proportions of these grants, subject to the authority of the Treasury as to the

* *Note.*—The Commissariat was transferred to the War Department by the Treasury Minute, dated the 22d December 1854, and the expenditure for this service is consequently no longer under the immediate direction of the Treasury.

the issue of money. The duty of the Treasury is to keep each department within the limits of its grants; and the separate departments having a specific credit appropriated to their use by Parliament, form thus a check on the Treasury. Remarks on Exchequer Memorandum.

The fifth division of the Miscellaneous Estimates embraces "Colonial and Consular Services." The Secretaries of State for Foreign Affairs and for the Colonies, in conjunction with the Treasury, control these expenses. There is no opportunity of misappropriating these votes, as they provide chiefly for fixed establishments subject to little variation from year to year, the salaries and expenses of which must be paid when the bills are presented Colonial and Consular Services.

The sixth class of the Miscellaneous Estimates relates to "Superannuations and Charities." There is no fluctuation in charges of this description; the money must be provided as the payments become due, and no margin is left for payments out of these votes for other services not voted by Parliament. Superannuations, &c.

The remaining grants of the Miscellaneous Estimates are for special and temporary objects, and the preceding remarks apply equally to these votes. Special and temporary objects.

The vote for Civil Contingencies is expended under the responsibility and directions of the Treasury, and Parliament exercises its control over the Treasury, by requiring that a detailed account of the expenditure of that vote in the past year shall be submitted to the House of Commons before the vote for the succeeding year is granted. Civil Contingencies.

It will be seen by the preceding description of the votes in supply how greatly the power of the Treasury to misappropriate the annual grants of Parliament has been magnified in the Exchequer Memorandum; moreover, the real position and functions of the Treasury in reference to the appropriation of the public money have been altogether overlooked. No department is so interested in maintaining intact the settlement of the annual charges as sanctioned by Parliament, and in avoiding the embarrassments which a departure from that settlement is calculated to occasion, as the Treasury, which has to provide the ways and means. The practical control over the issue of the grants rests actually with the Treasury, and only nominally with the Exchequer; if certain forms (which are all within the control of Government) are correctly complied with, the Exchequer cannot refuse the issues. It has been already shown that the detailed application of the votes is intrusted to the several executive departments; and the power of misapplication is greatest where that trust resides. The authority of the Treasury is exerted to control that power; but even the control of the Treasury is insufficient to provide perfect security against the votes being exceeded; Parliament has therefore supplied an additional check, not through the Exchequer, but through the Audit Board. This important check, so far as it has been applied to the Naval and Military Departments, has been already referred to. Real position and functions of the Treasury overlooked

It might be inferred also, from the remarks in the Exchequer Memorandum, that the Paymaster-general had strong inducements to misappropriate (in a Parliamentary sense) the funds placed in his hands for public disbursements. The whole tenor of the Memorandum shows that the most complete misapprehension exists as to the authorities and checks by which the Paymaster-general is governed in making his payments. The Comptroller-general appears to imagine that the Treasury has supreme authority over the Paymaster-general's payments, and that Acts of Parliament, Royal Warrants, the authority of the departments intrusted with the administration of the different branches of the public service, may all be set aside to further any misapplication which the Treasury may think fit to order. Nothing can be more incorrect than such a supposition; the authority of the Treasury, as already shown, is very limited; it cannot reach the payments for Army, Navy, Ordnance, and many other services. The power of the Pay-office to misappropriate the grants is still more limited; no payment can be made except upon an order legally issued, and the Naval and Military Departments are furnished periodically with returns showing the monies drawn from their grants and the application of the same; they fix, moreover, the amount of the monthly memorials upon which the Exchequer issues are based, and the whole of the accounts and vouchers are transmitted monthly to the Audit Office. Moreover, what motive could the Paymaster-general have to misappropriate the grants of Parliament? He is not responsible for the application of any portion of those grants; his duty is simply to pay on the orders of the several departments legally drawn within the limits of their respective grants, and he has neither the power nor even a reasonable motive to lend himself to any "confederacy between two independent functionaries" (a very improbable occurrence) for the purpose of misappropriating the grants. Misapprehension as to the powers of the Treasury and Pay Office.

The remarks made in the Exchequer Memorandum upon the mode of regulating the Paymaster-general's payments and balances, betray so complete a misunderstanding of the subject that it is necessary to describe what the practice is. Regulation of the Paymaster-general's payments and balances.

The first step taken after the votes have been passed, is to open accounts in the Paymaster-general's books assigning to each service the specific credit which Parliament has granted for it; and so far as the Paymaster-general has the means of enforcing the check, he takes care that no payment is made in excess of that Parliamentary credit. Parliamentary Credits.

As a measure indispensably necessary for the public security and for economy, the Paymaster-general is required to keep his balances as low as the current demands of the public service will permit. As a general rule, therefore, his requisitions on the Treasury are made from day to day, and no larger sum is demanded than the amount estimated to be required for the payments of the day. The amount of these requisitions is regulated by the claims which are expected to be presented for payment; the money, therefore, is and must be drawn out on estimate. The services coming in course of payment cannot be accurately ascertained beforehand; bills at sight, and "immediate" orders from the several departments, are presented for payment which it is impossible to foresee, and for which, consequently, no Exchequer credits can have been drawn. On the other hand, expected His demands are limited to the sums required for his daily payments.

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claims may have been included in the daily estimate which are not presented for payment, thus leaving on other heads a surplus of credits. The course adopted in such cases is this: the services for which no cash has been provided in the daily estimate are paid out of the general balance, provided they do not exceed the balance of Parliamentary credits voted for them, and in the next estimate the cash for them is drawn out of the balance of the vote in the Exchequer. But, according to the views expressed in the Exchequer Memorandum, the services for which no Exchequer credits have been granted ought to be rejected, however large the credits for those services in the Exchequer and the surplus of available cash in the Paymaster-general's hands for other services may be: the bills should be dishonoured, and the other claims not provided for in the daily estimate should be delayed, at whatever risk, loss, or inconvenience to the public service. It is evident that such restrictions could never be carried out in practice.

Exchequer control impracticable.

But, to show the impracticability of establishing an Exchequer control by means of specific credits, a few practical examples will suffice.

Payments for public services in the Colonies.

1st. The fund formerly known as "Army Extraordinaries," but which is now called the Commissariat Chest Fund, has been already noticed. This is the banking fund which the Government uses exclusively for carrying on the public service abroad and in the Colonies. It embraces Army, Navy, Ordnance, Colonial, Civil, Convict and a variety of other services; in short, every pecuniary transaction between the mother country and the colonies, conducted through the agency of the Government, appears in the Commissariat Chest Account. The chests in the colonies contain, as a rule, a reserve of cash equal to two months' expenditure, unless special circumstances should justify a departure from the rule. They are supplied with funds by bills drawn on the Treasury; by bills drawn on the government of India; by consignments of specie from England; by revenue of Customs and Post-office, paid in for remittance; by various sums received for remittance to England on account of Army, Navy, and Ordnance services; by proceeds of the sale of captured slave-vessels, and various other sums to be repaid in England. On the other hand, sums are paid to the Paymaster-general in England for remittance through the Commissariat Chest account to the Colonies. Of all these sources of receipt, the bills drawn on the Treasury and accepted payable on the Paymaster-general's account form the largest item, amounting annually to upwards of 2,000,000 *l.* sterling, and to a much larger sum in times of war or insurrection. It must be evident, from the preceding description, that these bills, which are only the net sums required, after taking into account a great variety of pecuniary transactions, cannot be brought under the Exchequer rules of specific appropriation, and that there is no alternative but to charge them upon the general funds of one service, till accounts and vouchers are rendered to the auditors upon which the necessary adjustments between the votes for the various public services can be made. In the Treasury Minute of the 26th September 1834, *for the regulation of the Exchequer*, provision is made for the payment of these bills as follows:—

"For the purpose of enabling the Paymaster-general to make provision at the Bank for the payment of such bills as shall be drawn upon and accepted by this Board, my Lords propose that lists should be furnished to him from week to week, during the month, of the bills becoming due in the course of the month, and that he should, upon such lists, give authority to the Bank to pay such bills out of the credits which have been granted to him for Army services."

There does not exist in the whole range of the public services paid by the Paymaster-general a more complete mixture of services, voted and not voted, than these bills contain; and yet the rule laid down in the Minute for the regulation of the Exchequer Office is, that they shall be paid out of credits granted for Army services; in other words, advances for Navy, Ordnance, Civil, Colonial, Convict, and other expenses, are made payable out of Army credits.

Remittances of specie.

Again, when specie is sent abroad for the supply of the Commissariat chests, it is clear that no specific appropriation of it can be made by anticipation. Such payments must follow the rule laid down for the payment of Treasury bills.

It should, however, be explained, that the necessity for resorting to the Army grants for the payment of the Treasury bills and other advances on account of the Commissariat chests, has been very much lessened by the more rapid recovery of advances which has taken place since the Commissariat Chest Account has been placed on a proper footing, under the superintendence of the Audit Board; but still, Exchequer control cannot exist in regard to all voted services which are defrayed from the Commissariat chests in the colonies.

Imprests.

2d. There is a class of payments made by the Paymaster-general, numbering many thousands in the year, and amounting to upwards of 3,000,000 *l.* annually, called "Imprests." These are advances to public accountants, to carry on Navy and Ordnance services; the specific appropriation of these advances, according to the votes to which they relate, cannot be ascertained before the expenditure takes place; this being the case, it is beyond the power of the Exchequer to prevent an excess upon any one of the Navy and Ordnance votes.

Transfers.

3d. There is another class of transactions which never come under the review of the Exchequer, and which are adjusted in a manner eminently conducive to simplicity and security, but inconsistent with the specialty of credits insisted on in the Exchequer Memorandum. It is the practice of one department to execute services for another, where the public convenience and economy render such a course desirable. Thus, if the Ordnance require a hoy or lighter to be built and equipped, the Admiralty execute the service for them, and pay for it in materials, wages, and stores, out of Naval monies; and at a subsequent

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quent period the Ordnance repay the amount. The Ordnance department, on the other hand, executes various services for the Navy, which are settled in like manner. The War Office advances monies on account of pensions paid through staff officers of pensioners for other departments, and reimbursement is made at a subsequent date. These mutual services between departments average about 5,000,000*l.* annually, including the transactions of the Commissariat Chests: the following is a statement of such advances in the year 1852–53:—

Transfers.

SERVICES.	Received from other Services.			Paid to other Services.		
	£.	s.	d.	£.	s.	d.
Army - - - -	571,204	6	2	1,370,233	2	2
Commissariat Votes - -	373,146	6	1	844,739	17	5
Commissariat Chest - -	2,897,357	5	8	810,357	19	8
Navy - - - -	460,823	12	3	505,769	7	4
Ordnance - - -	305,319	7	–	445,103	8	1
Civil Services - - -	186,495	13	4	818,142	15	10
£.	4,794,346	10	6	4,794,346	10	6

These transactions are adjusted entirely by transfers of account in the books of the Paymaster-general, without any transfer of money whatever at the Bank of England. Thus, if the Navy has to pay 10,000*l.* to the Ordnance, and the Ordnance has to pay a like sum to the Navy, the transaction is settled without any Exchequer credit. But here again it is necessary to refer to the minute of September 1834, for the regulation of the Office of the Receipt of Her Majesty's Exchequer. It would appear by the terms of that minute that the Board of Ordnance were apprehensive that the rules prescribed for giving effect to the provisions of the Exchequer Act might not permit temporary advances out of Ordnance monies for services to be executed on account of other departments; and this opinion is now repeated in substance in the Comptroller-general's memorandum. But the Minute of September 1834 overruled the apprehensions of the Ordnance Board. The terms of the Minute are as follows:—

"With respect to that part of the communication from the Ordnance which relates to the necessity of making provision hereafter for placing funds at the disposal of that Board, to enable them to pay for such services as they may be required to perform for other departments of the Government, my Lords desire that it may be pointed out to the Master-general and Board that there is nothing in the Act to deprive that department of the means they now possess of making such payments; and that my Lords consider that it would occasion great complexity in the accounts of the Ordnance, and in the accounts of the other departments, if advances for all such services should be made hereafter on the estimate of a sum that may probably be required, instead of repaying, as at present, the amount actually disbursed, seeing that the exact amount that will be required cannot be known until the service has been performed. My Lords are of opinion, therefore, that the existing arrangements in that respect should be continued, and will take care that all such services shall be paid for by each department, as soon as the Ordnance shall be able to state what the amount of the expenditure has actually been."

According to this Minute, there is nothing in the Exchequer Act to deprive the Ordnance of the means they possess of making payments for Navy, Army, Colonial, Convict, or any other service, out of Exchequer credits granted for Ordnance services. It is perfectly clear that this Minute, which has been acted upon ever since 1834, when the Exchequer was re-organised without a question being raised upon it, is directly opposed to the opinions now put forth in the Exchequer Memorandum. At the same time, no person who has any practical knowledge of public business can entertain a doubt that the Minute takes the sound, common-sense view of the proper mode of making these temporary advances.

Payments through Collectors of the Revenue.

4th. The Paymaster-general makes numerous payments for noneffective services through the collectors of the revenue. The Admiralty and War Office also issue orders payable in like manner. These payments are all made, vouched, and examined before any Exchequer credit is applied for to meet them. The services are paid all over the country, out of local revenue collected, before the money reaches the Exchequer, and the vouchers are used as a form of remittance. This mode of applying the revenue collected even before it reaches the Exchequer, and defraying voted services for which the Comptroller-general's warrant has not been issued, nor even applied for, may appear to be subversive of that constitutional control which it is the object of the Exchequer Memorandum to enforce; and yet the course adopted is ordered by various Acts of Parliament; and penalties are enacted against any collector, who, having funds in his hands, shall refuse to make such payments. In such arrangements, the practical requirements of the public service have been studied, and useless forms and nominal checks have been very properly set aside.

5th. In

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Cash Account to be exhausted before drawing on Exchequer credits.

5th. In the Treasury Minute of September 1834 for the regulation of the Exchequer, which has been already referred to, as well as in the Minutes for the regulation of the Pay Office, it is provided, that when any balances may be at the cash account of the Paymaster-general at the Bank of England, they shall be exhausted in making payments before any drafts are drawn on the Exchequer account. These cash balances are frequently very large, and they are exhausted in conformity with the Minutes referred to; they never come within the cognizance of the Exchequer; and if misappropriation were the object of those to whom the public balances are entrusted, they would afford the means of misapplication without clashing with Exchequer control. These cash balances, however, are subjected by the Paymaster-general to an appropriation as distinct as Exchequer credits; and although the regulation which requires that they shall be exhausted before drawing upon the Exchequer, is a very proper one, it is nevertheless at variance with the principles laid down in the Exchequer Memorandum; and moreover, the Exchequer cannot control the appropriation of public money which never passes through the Exchequer accounts, and consequently these accounts can never agree with those of the Paymaster-general and of the Bank of England.

Votes of Credit.

6th. It has been the practice of Parliament, since the discontinuance of the annual votes for "Army Extraordinaries," to provide for the extraordinary expenditure occasioned by war or insurrection, by special votes of credit. A large portion of the war expenses is covered by the separate estimates of the war departments; thus the expenses which can be regularly estimated, such as the pay of additional troops or seamen, increased supplies of provisions, navy and ordnance stores, are included in the ordinary estimates: but there are numerous expenses arising out of active operations during war or insurrection, which cannot be estimated with sufficient accuracy to enable the Government to propose to Parliament a specific appropriation of the provision demanded for them. During the two last Kaffir wars these extraordinary expenses were provided for by votes taken "to defray the expenses beyond the ordinary grants for Army, Commissariat, Navy, and Ordnance services occasioned by the Kaffir war."

Under this arrangement the expenditure, ordinary and extraordinary, is accounted for by the separate departments under the several heads of service to which it relates; and if the extraordinary expenditure occasions an excess upon any of the ordinary votes of the department, the sanction of the Treasury is first obtained, under the provisions of the Appropriation Act, to apply in reduction of such excesses any savings which may have arisen upon other votes of the ordinary estimate of the same department, and the net excess of expenditure upon the total estimate of the department for the year, is made good out of the vote of credit; this net sum, however, must not exceed the amount of expenditure, which can be shown to have arisen from the extraordinary service for which the vote of credit has been granted. All this can only be done upon the final settlement of the accounts when received from abroad, many months after the termination of the year. But the question suggested by this explanation of the nature of votes of credit is, how does this system harmonise with Exchequer control, as defined in the Exchequer Memorandum? Parliament has made a general provision to cover not only expenditure in excess of the separate votes of the different departments, but an excess upon the aggregate of the votes; and this provision is not apportioned to army, navy or ordnance, nor in many cases to distinct years; it is general for the naval and military departments, and is intended to cover, not every excess upon the votes of those departments, but such excesses only as may be occasioned by the events contemplated by the vote of credit. It is clear that the strict appropriation of such votes, as well as of the votes for ordinary services, in aid of which they are granted, can only be secured by an audit of accounts and vouchers after payment, and that the Exchequer can render no assistance whatever in controlling the appropriation of them.

Votes are limited to the service of the year.

7th. The votes of Parliament are granted not only for distinct services but for distinct periods. Thus misappropriation may take place, either by applying the money voted for one service to defray the charge for a different service, or by appropriating the surplus of a particular service for one year to the same service for a subsequent year.

In regulating the supplies of money to the Paymaster-general for the public payments, the Treasury and the Exchequer issue the grants of different years in regular succession, that is, they usually exhaust the grants of one year before they issue upon those of the succeeding year. Any other course would lead to confusion and to unnecessary complexity of account. But as regards Exchequer control and the value of Exchequer accounts, the effect is this:—The navy, for instance, will draw the whole of their grants for the year 1853-4 from the Exchequer before the middle of April 1854; but naval services for that year, paid abroad by naval accountants up to the 31st of March 1854, will continue in course of settlement at home, either by direct payments upon bills of exchange, drawn from abroad before the 31st March, or by repayments to the Commissariat Chest, for many months after the grants of the year 1853-4 have been paid away. The Exchequer credits out of the navy grants for the succeeding year 1854-5, must therefore be used in liquidating the account of the year 1853-4. On the other hand, the Exchequer credits issued out of the grants for 1853-4, at or near the close of March 1854 and subsequently, will be applied in replenishing the chests at the outports, and in making both imprest and final payments for the service of the year 1854-5. The exact apportionment of the payments for the service of each year is a matter of account, which can only be adjusted after the examination of the whole of

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the accounts of payments made at home and abroad. Now all this shows that when the duty of controlling the appropriation of the votes was assigned to the Exchequer, the practical working of this part of the financial business of the Government was very imperfectly understood. Remarks on Exchequer Memorandum.

Other difficulties equally formidable might be advanced in opposition to the Comptroller-general's view of the proper mode of conducting the public payments and keeping the public accounts; but they would unnecessarily extend these remarks: the instances already given are more than sufficient to prove that Exchequer control, in the form now advocated by the Comptroller-general never has existed, and never can be established.

Having described the actual practice of the Pay Office, it is necessary to explain what it is which the Comptroller-general would exact, for the purpose of maintaining the semblance of an Exchequer control over the application of the public money.

He would require that the Paymaster-general should keep a distinct balance in his hands on every head of service for which he may be called upon to make payments, and that this balance should be of such an amount as to obviate the danger of running short of funds on any account, and being consequently compelled either to refuse payment of bills and claims, or to use credits not legally applicable to such payments. Setting aside, for the sake of argument, all that has been advanced against the practicability of such a system of payment, it must stand condemned on other grounds: Inexpediency of multiplying balances.

1. To keep every cash account of the votes in credit in the Paymaster-general's books, without reference to the balances of the votes remaining in deposit in the Exchequer, it would be necessary that the Paymaster-general should keep a permanent balance in his hands of 600,000 *l.* or 700,000 *l.*; but a much larger sum would be required if he were compelled to keep distinct credits for the votes of different years. Under the present arrangements a tenth part of that sum is sufficient; the difference would therefore represent the sum upon which the public would most unnecessarily have to pay interest. Increase in amount of balance.

2. The rule now acted upon for the security of the public money is that the Paymaster-general shall keep his balances as low as possible, unless special circumstances should induce the Treasury to direct him to increase them. This is a general rule applicable to all public accountants, but more especially binding on one having so large a trust as the Paymaster-general, and a due regard for the protection of the public requires that the Treasury should constantly enforce it. But what security would there be if a system were laid down which should compel the Paymaster-general indefinitely to increase his balances to comply with the requirements of the Exchequer? Present balances kept low.

3. If the Paymaster-general were required to draw upon special credits instead of upon general accounts as at present, he would require a greatly increased staff of paymasters and clerks. It is not necessary to go further back than 1848 to prove this: the plan of drawing upon special credits was in operation in the offices of the Paymaster of Civil Services and of the Paymasters of Exchequer Bills before the duties of those offices were transferred to the Paymaster-general in that year. Twenty-three paymasters and clerks, at a cost of 9,200 *l.* a-year, were employed in conducting the limited duties of those departments upon the system advocated by the Comptroller-general. Since the transfer of those duties to the Paymaster-general, the payments have more than doubled; notwithstanding this increase, the duties do not provide more than moderate occupation for five clerks. This example will give some idea of the increase which might be expected to result from the extension of the former system to the whole of the Paymaster-general's payments. The recommendation in the Exch. Mem. would lead to an increase of the establishment.

The multiplied risks of error, the complication of accounts, the delay and inconvenience to the public claimants, the enormous increase of trouble to the Bank of England, and the weakening of those simple checks which are now found efficient for the public security, may also be urged against the adoption of so retrograde a step as the Comptroller-general recommends. His Lordship states, that the present system "would not be tolerated in any private banking or commercial establishment in the city of London." Would any private banker ever dream of keeping separate cash-boxes to contain the money paid in by his different clients, in order that he might pay their cheques out of their own monies? It is more reasonable to suppose that he would do as the Paymaster-general does, place their money in the general till, and pay all cheques indiscriminately out of it, looking to their credit in his ledger. So the Paymaster-general looks to the unappropriated balance of the vote at the credit of a service in his ledger, and is guided in his issues accordingly. Multiplied risks, and increase of labour.

There are some minor points in the Exchequer Memorandum which call for a very brief notice.

A Schedule of Errors is given at page 552, from which it might be inferred that various inaccuracies had been committed in the Paymaster-general's balances. The books of the Pay Office for the period referred to in the schedule have been examined, and it cannot be found that any such errors ever existed in them. It appears, that in a series of years, out of some thousands of "writes off," a few clerical errors were made in the description of the service; but as they led to no errors in the Pay Office books, no further notice of this part of the Comptroller-general's Memorandum is necessary. Errors pointed out in Exch. Mem. did not exist in Pay Office books.

Various references are made in the Memorandum to "irregularities and confusion in the public accounts," to "accounts made on principles needing a periodical rectification and adjustment;" and it is asserted, moreover, that "utter confusion must prevail, and a double set of books must be kept," "the one being the actual record of payment made without authority, the other of payment necessarily altered in date and in the head of charges, whenever

Remarks on Exchequer Memorandum.

ever the subsequent rectification or adjustment of accounts takes place." It is sufficient to say, that all this is purely imaginary, and totally incorrect. The Pay Office may safely submit its accounts to the scrutiny of competent judges, in the full confidence that they will bear a favourable comparison with those of any public or private establishment in the kingdom. It is needless to add any further comments on these subordinate points, as the discussion of them would only tend to withdraw attention from the more prominent subject of the Memorandum.

Revision of the Exchequer Act necessary.

But an important question is forced into notice by this discussion. Is it desirable that the delusion of an Exchequer control over the application of the grants should be continued? The Comptroller-general very properly remarks, "The law and the practice should assuredly be brought into exact conformity; the one should be repealed, or the other reformed."

Ancient Exchequer.

In early times the Exchequer was no doubt a very useful and efficient department. As the facilities which now exist for the transfer of money were unknown, the Exchequer received the revenue in coin by weight and tale; there were also sub-Exchequers; the sheriffs of counties both received and paid money on account of the Exchequer; they also passed accounts at the Exchequer. The duties of collecting and controlling the revenue, the custody of the money, the payments out of the revenue, and the audit of accounts, were all united in that single institution. The growth of the public service, the increase of wealth, and the expansion of the pecuniary business of the country, have led by degrees to the establishment of separate revenue departments, with their separate collectors, to pay departments, and offices for auditing the public accounts, and to the employment of the Bank of England for the custody of the public revenue.

Modern Exchequer.

The Exchequer has thus been gradually stripped of all its important functions. The Commissioners of Public Accounts in 1831 recommended a large reduction in the establishment of the Exchequer, and a considerable diminution of its duties. A praiseworthy attempt was made in 1834, upon the recommendation of the Commissioners, to establish it as an office of control, and part of the machinery of the French system was adopted to accomplish that object; certainly no better model could have been selected than the system in operation in France. The French system of public accounts and audit has engaged the attention of some of the first men of that country, and their labours have produced a consolidated system of account and control such as probably no other country in Europe can boast of; but our attempt to imitate their forms has been very unsuccessful.

French system misunderstood.

In adopting the system of "Exchequer credits," we have thoroughly misunderstood the operation of the French system of "Legislative credits." These are the accounts of the annual votes opened in the books of the Finance Department, against which the several departments are authorised to draw, and the monthly "repartitions" are merely estimates of the probable sums which may be required in the month. The working cash accounts are not complicated by subdivisions, which would tend to no other purpose but that of retarding and embarrassing current operations. The actual payments are set off against the "Legislative credits" in the books of the Finance Department. This simple machinery is not clogged with any unnecessary forms, and appears to be admirably adapted to all purposes of control and record. But this simplicity is wanting in our system. First, we have the Treasury, where accounts of the votes are kept, and where the amount of each vote is exhausted by the *orders for credits* given to the Exchequer. Secondly, we have the Exchequer, where accounts of the votes are also kept, against which are set off the *credits actually given* to the Paymaster-general and other accountants at the Bank. Thirdly, we have the Pay Office, where accounts of the votes are again kept, and where the *actual payments* are charged against the votes. Fourthly, we have the Executive Departments, where a fourth set of accounts with the votes are opened, and the *final charge* against each vote is made, and where the whole details of the accounts are finally gathered for audit. The worst part of the Exchequer system is the attempt to carry out a scheme of separate Exchequer credits upon hundreds of heads of service through the daily operations of cash, instead of confining the credits, as the French do, to the annual votes, or "Legislative credits." The breaking up of annual votes into daily credits, with a specific appropriation of each daily credit which must not be exceeded, would be fatal to simplicity and regularity of payment and account, even if the plan could be carried out in practice.

Exchequer control impracticable.

It must be evident, from the preceding explanations, that no effectual control over the appropriation of the grants of Parliament, more especially of the large grants for naval and military services, respecting which Parliament has always shown the greatest jealousy, can exist at the time of issuing the money from the Exchequer. The best, if not the only means of bringing under the control of Parliament the expenditure of every department of the State, consists in an effective and uniform system of public accounts, and an independent audit of expenditure upon vouchers *after payment*.

Remedy for existing defects.

The remedy for the defects of the present system is simple. Adhere more closely to the model selected by the Commissioners of Public Accounts in 1831; let your system be based on confidence in the Government, and let the controlling and responsible department of the State have full freedom of action; simplify your machinery; make your system of public accounts as comprehensive, uniform, and exact as possible; and extend the control of the Audit Board, not to obstruct the current business of Government, but to verify the regularity of the whole of their accounts, and of their financial proceedings.

Finance Department in France the office of Control.

In France, the Finance Department is the office of Government control over the whole of the public finances; it keeps in its own hands the collection and distribution of the public treasure; and retains the custody of the public balances. There is no Exchequer and no

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separate Pay Office. The Court of Accounts exercises an independent control over the financial and other public departments, being charged by law with the duty of examining all accounts, and of "bringing under public control, by the annual publication of a general declaration and of a report to the Crown, the correctness of the accounts of its Ministers, and the regularity of their financial proceedings;" but it is not invested with powers of restraint which can be exerted to paralyze the action of Government. "The Court of Accounts," says the Marquis d'Audiffret, the President of the Court, "is a tribunal *sui generis*, whose principal mission it is to protect the State against the errors, deviations from law and regulations, and malversations of accountants, without at any time being able to arrest or impede the course of administration."

Remarks on Exchequer Memorandum.

Court of Accounts.

Treasury, 27 March 1854. *W. G. Anderson.*

MEMORANDUM by Mr. *Edward Romilly*, Chairman of the AUDIT BOARD, written in 1850.

Mr. Romilly's Memorandum.

ISSUES to be made by the TREASURY, with or without Account.

IN what cases is it competent for the Treasury to issue money without account? Is there any limitation to their power?

If Parliament direct that issues should be accounted for, the Treasury must obey such directions.

Parliament may give such directions, either by voting a particular sum for a particular purpose, or by declaring legislatively that such and such services are to be accounted for to the auditors, or in such way as the Treasury may direct, or such other way as they may specify. In all such cases the authority of Parliament is supreme, and the Treasury is bound to obey.

But by what means is the Treasury bound to obey? What is the sanction to enforce compliance with such directions? The Treasury, if left to themselves, may disregard such directions, or act counter to them. Practically, no instance can perhaps be found in which the Treasury have issued money without account for a service which Parliament has declared should be accounted for to the auditors; but instances can be adduced of the Treasury having directed the auditors to examine accounts, which Parliament has declared should be otherwise disposed of.

If, indeed, the Treasury were to issue money without account for a service which Parliament declared should be accounted for to the auditors, the auditors would themselves at once represent the matter to the Treasury, and would maintain the superior authority of Parliament over the Treasury, as binding upon them, the auditors.

If, however, the auditors neglected to take this step, and sheltered themselves from responsibility under the Treasury authority, and thus neglected to call for the accounts, and had so much the less work to do, no one need be a bit the wiser; and the only check upon such omissions would be the remote and unlikely chance of the fact transpiring and being noticed in Parliament.

In cases, however, in which the Treasury have transmitted to the auditors for examination accounts which Parliament has directed to be otherwise disposed of, the auditors have thought it unnecessary to insist upon the apparent provisions of the Act, since the Treasury have a general power of sending to them for examination any accounts they please; and any examination of ours will not invalidate that other examination provided for by Parliament, and may afford useful information to the Government.

A third instance might be adduced, in which Parliament has directed that accounts should be audited, not only by persons locally interested in the expenditure, but by the auditors also: and in which these provisions are so enacted, that a compliance with them has been impracticable.

Irish Municipal Act.

Now in this case, and in all others in which Parliament have issued instructions, is it not right that they should know how far those directions have been complied with?

In all cases in which Treasury regulations are neglected by accountants, it is the duty of the Audit Office to represent such deviation to the Treasury. And does not the same rule hold good with respect to Parliament? If Parliament has given directions, ought they not to be specially informed whether those directions have been carried into effect?

As I have before stated, there are two modes by which Parliament declares its wishes with respect to the expenditure of the country:

1st. By voting particular sums for particular objects; and,
2dly, By declaring that certain services shall be accounted for to the auditors.

In both cases Parliament ought to be informed that its intentions have been fulfilled. In the first, that the sums voted have been applied to the purposes for which they were granted, and none other; and in the last that expenditure has been accounted for as directed.

If statements to these effects were laid before Parliament, the first one would act as a check upon the Government, and the second as a check upon the auditors; and if the auditors were called upon to perform this duty, although it would raise them to great importance, and, by making them servants of Parliament, enable them to exercise a check over the Government for the time being, it would only be to the extent that Parliament itself had prescribed. From the circumstance, however, of the Treasury being entrusted with

Mr. Romilly's Memorandum.

with the public purse, there will be cases requiring issues of public money, independently of the specific directions of Parliament.

In such cases the Treasury may direct the issues to be made without account; and might not a statement of such issues also be laid before Parliament?

Constitutional History, vol. ii, p. 432 vol. iii, p. 158, Second Edition.

The appropriation of supplies for limited purposes dates, as we are told by Hallam, from the reign of Richard the Second and Henry the Fourth; was revived by the last Parliament of James the First in 1624; and was still further enforced in 1641 and 1665, from which latter date the undisputed principle that supplies granted by Parliament are only to be expended for particular objects, specified by itself, was recognised by constant practice. This led to the necessity of having estimates regularly laid before The House, and during the reign of William the Third, Parliament by such means exercised a more close and constant superintendence over the departments of the Navy, Army, and Ordnance than had hitherto existed. This system continued down to 1832, with no other check over the issue and final expenditure of such grants than the annually repeated clause in the Appropriation Act of each Session, by which the Lords of the Treasury are forbidden to order by their warrant any monies in the Exchequer so appropriated, from being issued for any other service, and the officers of the Exchequer to obey any such warrant.

Audit of Naval Balance Sheet.

In 1832, however, Sir James Graham introduced and carried an Act by which the accounts of the Navy were subjected to the examination of the auditors whose province it became to report annually to Parliament, how far the directions had been carried into effect with respect to this service: and the same principle was in 1846 extended to Army, Ordnance, and Commissariat Services, and a special officer and department appointed for the purpose, acting under the superintendence and control of the Board of Audit, whose duty it became to prepare for Parliament the accounts in question, with any observations they gave rise to.

It is however to be observed, that these accounts so prepared are laid before Parliament *by the Treasury*, and not by the auditors themselves, as had been the case with respect to the Navy accounts from 1832 to 1846, and it is questionable whether this change was one in the right direction.

Thus, as far as these services are concerned, the more extensive function for which the House of Commons had contended on several former occasions, and sometimes with success, that of "investigating the wisdom, *faithfulness*, and economy with which their grants had been expended," was finally recognised; and, instead of special Commissioners being appointed to investigate the appropriation of particular votes, the auditors have been made permanent Commissioners to investigate the appropriation of the issues for these particular services (Navy, Army, Ordnance, and Commissariat).

If, however, this principle be applied to the three services before referred to, why is it not equally applicable to all others in which Parliament has voted a particular sum for a particular purpose?

Appropriation of Miscellaneous Votes not under the control of Audit Board.

The appropriation of the miscellaneous votes does not come under the control of the auditors; and it can hardly be contended that the Treasury, as the supreme department of the State, should be exempted from a control to which the subordinate departments of the Army, Navy, and Ordnance are subjected; especially, too, when it is remembered that this principle, if contended for, has already been deviated from in the case of Commissariat services, the vote for which is equally taken by the Treasury. If, again, it is considered derogatory to the Treasury that a subordinate office like that of the auditors should in any way control their proceedings, and act as a check upon the issue of public money, that argument should have been used before; for if the expenditure under the Commissariat vote is submitted to Parliament by the auditors, upon the same principle all other votes taken by the Treasury should be subject to the same ordeal.

Audit of appropriation should be extended to all branches of expenditure.

But it is also to be observed, that in investigating the appropriation of Parliamentary grants for Army, Navy, Ordnance, and Commissariat services, it is not only the duty of the auditors to see that the sums issued to those departments by the Treasury are in accordance with the Appropriation Act, but that the issues have been expended by them in accordance with the estimates approved of by Parliament. The authority of the Appropriation Act is, of course, superior to that of the Treasury; and if the provisions of that Act were infringed by the Treasury in making those issues, it would be the duty of the auditors to lay the matter before the notice of Parliament. It is not, therefore, merely with respect to the expenditure for Commissariat services, for which the Treasury take the vote, and in respect of which they are in the same relative position as the other departments are with regard to the votes taken by them respectively, that the Treasury are subject to the control of the auditors, but they are also under their control, so far as the issues from the Exchequer are concerned, in cases of all the departments concerned; and this principle having been laid down by the present Government, there would seem to be no grounds why it should not be still further extended, and that it must be their intention and wish to carry it into full effect throughout every branch of expenditure so voted by Parliament.

The Comptroller-general of the Exchequer does not account.

It must not, however, be forgotten that before the issue can be made, it is not only necessary that the Lords of the Treasury should sign a warrant to that effect, but also that that warrant should be obeyed, provided it is not in excess of any aggregate vote, and that no issues should be made from the Exchequer, but such as are so warranted. The Comptroller-general of the Exchequer is the officer upon whom this duty devolves of obeying the warrants of the Treasury for issues in detail, after that functionary shall have received a Royal sign manual warrant, authorising him to issue upon such warrants to the extent of the total grants of Parliament; but what security has Parliament that it

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Mr. Romilly's Memorandum.

is duly performed? And if it has been thought necessary in the services before mentioned, to have the additional and still greater security provided by 9 & 10 Vict. c. 92, with respect to the Treasury, is it not necessary that a similar security should be provided with respect to the Comptroller-general of the Exchequer?

But can this security be provided?

Necessity for an examination of the Exchequer Accounts.

The object in view, is to see that the warrants of the Treasury for the issues of public moneys are obeyed, and none other, and the only mode by which this can be accomplished, is by the Exchequer accounts being rendered to the auditors supported by the warrants in question.

It is true that under the 23 Sect. of 4 Will. 4, c. 15, an annual account is rendered to Parliament of the receipts into, and payments out of the Exchequer, but that account is not verified by an independent authority; there is nothing but the statement of the Comptroller-general of the Exchequer to show that the issues made by him are in accordance with the Royal and Treasury warrants; and if Parliament has deemed a similar check necessary with respect to the accounts of the departments before referred to, it is difficult to conceive why it should not be equally necessary with respect to the miscellaneous votes paid through the Exchequer account.

But there is another and still stronger ground why these accounts should be subject to some independent check. Parliament has to provide for the pecuniary exigencies of the State by means of taxes, and whether fresh taxes should be imposed or existing taxes should be modified or abolished, depends altogether on the available revenue of the country. The revenue raised by the several departments concerned is paid into the Exchequer. Sums received from the sale of stores, or otherwise, are also paid into the Exchequer. These sums form credits in the Exchequer account; but without the Exchequer account it is impossible to see that they correspond with the sums taken credit for by those departments as paid into the Exchequer, and that all sums which should be, are credited in those accounts.

It is unnecessary to say more to show the importance of the accounts being submitted to an independent check, in order to enable Parliament to perform satisfactorily the functions with which they are invested.

In a word, Parliament, by the Appropriation Act of each Session, directs that its grants should be expended for particular purposes, but provides no sanction, no penalty of any kind, if its directions should be neglected, except in the cases of the Navy, Army, Ordnance, and Commissariat Services; and in these cases, the only check upon the sums brought to credit, is their agreeing with the statements in the Exchequer lists, which lists may or may not be in accordance with the directions of the Treasury warrants under which the issues are made.

It may be said, that as Parliament is cognizant of the amount of its several grants, if it sees the ultimate expenditure of those grants, all intermediate steps are unimportant.

But if so, why should these issues be made at all by warrants? If these warrants are a necessary and important formality, is it not right, is it not additional security, that some independent party should see that they have been regularly drawn, and regularly obeyed? And is this security the less required, when it is known that the documents are necessarily drawn up by subordinates, and on the faith of their accuracy are signed by their superiors as a matter of form?

Paragraphs which were proposed to form part of the Pay Office Minute of the 22d December 1848, relative to the Appropriation of the Grants for Miscellaneous Services, but were not adopted.

Appropriation of the Miscellaneous Grants.

In a former part of this Minute the Paymaster-general has been directed to keep such an account of the Votes of Parliament and of his payments thereout as will enable him to exercise a check upon the accounts of the expenditure of each vote, and to call the attention of this Board, from time to time, to any payments which he may be instructed to make, which may appear to be in excess of the funds provided by Parliament for the services to which such payments may relate. The subject of the appropriation of the miscellaneous grants of Parliament appears, however, to require more detailed and specific instructions than my Lords have yet prescribed for the guidance of the Paymaster-general.

Recent measures relative to the appropriation of the Naval and Military Grants.

Various measures have been adopted by this Board, during the last few years, to secure the strict application of the grants of Parliament for Naval and Military Services to the purposes and within the limits sanctioned by the annual Appropriation Act, and to provide for the presentation to the House of Commons of an annual account from each department, in such form as would bring the expenditure of the public money more directly under the cognisance and control of Parliament. Previously to the Minute of this Board, dated the 13th January 1846, in which certain fixed principles were laid down for the guidance of the respective Naval and Military Departments in the preparation of their Annual Estimates, no uniform principle of computing the sums required to be provided in their estimates for the service of the year had been followed by those departments. The difficulties which have retarded the adoption of one uniform system by those departments have, however, been satisfactorily removed, and all the Annual Estimates for Naval and Military Services are now prepared on the principle of providing for the sums actually required under each vote to meet the charges to be defrayed within the period for which the estimates are framed.

Uniformity of principle in the preparation of the estimates introduced.

Uniformity of principle in keeping the accounts.

My Lords have also succeeded in establishing an uniform system of keeping the Cash Accounts of those departments; and Annual Accounts of the expenditure, compared with the Votes, are now prepared by them for the information of Parliament, and of this Board. It

Appropriation of Miscellaneous Grants.

Audit of the accounts of the appropriation of the Votes extended.

It appeared to my Lords desirable that the final Annual Accounts of the expenditure of each department, compared with the Votes for the year, showing the excess of grants to be given up, or the deficiency to be voted, should be examined by the Audit Board, and the correctness of the appropriation, and of the balances certified before such accounts were presented to Parliament. A regulation of this kind was already in operation under the authority of the Act 2 Will. 4, c. 40, in regard to the Annual Account of Naval Receipt and Expenditure, and it appeared to my Lords proper that it should be extended to the accounts of the Army, Commissariat, and Ordnance receipt and expenditure. My Lords, therefore, submitted to Parliament a Bill for that purpose in 1846, the provisions of which are embodied in the Act 9 & 10 Vict. c. 92.

These regulations should be extended to the Miscellaneous Votes.

The measures which my Lords have thus adopted to bring under the review and control of Parliament the large amount of the Annual Expenditure of the State, comprised in the Estimates for the Naval and Military Services, having been brought into full and satisfactory operation, my Lords are of opinion that the time has arrived when similar measures may be beneficially extended to the expenditure defrayed out of the various Annual Votes for "Miscellaneous Services;" and that the Paymaster-general, who is already charged with the preparation of the Annual Account of Receipt and Expenditure for Commissariat Services authorised by this Board, should be intrusted with the duty of preparing for Parliament a similar account for Miscellaneous Services.

The accounts heretofore kept have not provided a sufficient check.

Although accounts have been opened in the books of the Paymaster of Civil Services under the titles of the several Miscellaneous Votes, no attempt has yet been made to keep the account of each year's votes in such a form as to exhibit the excesses of expenditure, or the savings, as compared with the annual amount of the votes. The expenditure under each vote has been kept as a running Cash Account, and no general balance between the votes and the expenditure for a given year has ever been struck, so as to prevent the surplus of one year's vote from being carried over and applied to the service of a succeeding year, or the deficiency from being defrayed out of the funds provided by Parliament for the same service in the next year. Moreover, there has been no fixed date for closing the account of the issues under the respective votes, as in the case of the Naval and Military Departments, where the votes are closed on a date fixed by statute, and the unexpended balances are surrendered to Parliament.

Principle upon which the Miscellaneous Estimates should be framed.

In applying the regulations established by Parliament for the appropriation of the grants for Naval and Military Services to the several votes comprised in the Miscellaneous Estimates, the first point upon which instructions appear to be required is the principle upon which the estimates are to be framed and the votes taken.

The Votes for Naval and Military Services, as already explained, are taken for the payments to be made within the year for which the Estimates are framed; and my Lords entertain no doubt that this would be the most correct principle to apply to the Miscellaneous Votes if the practice of Parliament were altered so as to ensure the passing of all those Votes before the 1st April in each year. This alteration does not, however, appear to be at present practicable, and it will therefore be necessary that the Miscellaneous Estimates should, for the present, continue to be framed to meet the payment of the "Sums due for the year."

Application of the principle of "payments for the year."

My Lords proceed to offer a few remarks in regard to the application of this principle to each class of expenditure included in the Miscellaneous Estimates.

The expenditure comprised in the Miscellaneous Estimates may be divided under three heads:—

Periodical or recurrent charges.

First. Periodical or recurrent charges, such as the salaries, allowances, and contingent expenses of the public departments, and of the Colonial and Consular Establishments; superannuations and other personal allowances; periodical claims for supplies made, and for services performed; periodical accounts of expenses incurred for ordinary works, repairs, and maintenance of public buildings, &c. For services of this description provision is made in the annual Estimates for the sum required to defray the expenses of the year ending on the 31st March; and the claims and accounts for such services are generally made out at stated periods. After payment of the final claim for the year ending on the 31st March, the balance of each Vote remaining unapplied should revert to the Exchequer, as a surplus no longer required for the service of the year for which it was granted.

Expenditure "upon account."

Secondly. Expenditure "upon account," such as payments for new works, or any other service, in part of a gross Estimate submitted to Parliament, portions of which are voted from year to year, until the whole of the original Estimate for the completion of the service has been granted. In these cases the Vote demanded "upon account" should not exceed the annual sum likely to be required for carrying on the work or service, until the usual period of voting the next supply. For these services, while they are in progress, no surplus balance can be surrendered, unless any part of the Vote for the year should be unexpended at the date which may be fixed for the closing of the annual account. The rule in regard to these Votes will, therefore, be to consider the date when the Vote may be exhausted as the termination of the year's service, provided that date shall occur within the period allowed for the completion of the account.

Special grants.

Thirdly. Special grants, such as fixed sums voted in aid of the funds of charitable institutions, special rewards or remuneration for services performed, Votes in reimbursement of specific accounts of past expenditure, and special grants for relief of sufferers by fire, &c. In these cases, the grants are either of the nature of donations, or of retrospective services, payable soon after the passing of the Votes. There seems to be no reason why expenditure

of

of this description should not always be defrayed within the year in which the grant may be made. Appropriation of Miscellaneous Grants.

It is the desire of my Lords that, from the 1st April 1849, the Paymaster-general will keep accounts of the appropriation of the miscellaneous grants, regulating such accounts, according to the principles before explained. The payments made by him on permanent orders issued by this Board will be charged by him against the respective accounts, according to the principles laid down for each class of expenditure. The special authorities to be issued by this Board for the payment of any of the services before mentioned will be assigned to their proper Votes at the time the authority is given. Accounts of the appropriation of the grants to be kept from 1st April 1849.

The Paymaster-general will prepare annually, for the information of Parliament and of this Board, an account showing the sums granted by Parliament under the several heads of the Miscellaneous Estimates for the service of the year; and he will show in this account the appropriation of the several grants, and the saving under each head, to be repaid to the Exchequer. An annual account to be prepared for Parliament.

The following departments receive issues direct from the Exchequer, viz.: the Commissioners of Woods, the Solicitor for the Affairs of the Treasury, the Master of the Mint, the Comptroller of the Stationery Office, the Paymaster of Civil Services and the Board of Works in Ireland. With a view to render the account which my Lords have desired the Paymaster-general to prepare for Parliament and this Board more complete, they will direct the issues granted to the departments in question out of the Miscellaneous Votes to be made through the Paymaster-general. All issues out of the Miscellaneous Votes will be passed through the Paymaster-general's accounts.

The time to be allowed for the completion of the annual account is to be the same as that fixed by the Act 9 & 10 Vict. c. 92. for the closing of the accounts of the Army, Ordnance and Commissariat Receipt and Expenditure, namely, 12 months after the expiration of the year. If it should be found to be hereafter practicable to apply to the Miscellaneous Estimates the principle adopted in the preparation of those for the Naval and Military Services, namely, by taking the Votes for the payments to be made in the year, instead of for the sums which may fall due within the year, the annual Account of Receipt and Expenditure for the Miscellaneous Services may then be prepared at a much earlier date. Time to be allowed for the completion of the annual account.

To carry out to the full extent the application to the Miscellaneous Services of the regulations prescribed for the rendering of the annual Accounts for the Naval and Military Departments, my Lords consider it necessary that the annual Account for the Miscellaneous Services should be submitted to the examination of the Commissioners for Auditing the Public Accounts. This examination, which is to be conducted through the naval and military auditor, should keep pace with the preparation of the account, so that as little time as possible may intervene between the completion of the account and the presentation of it to Parliament. The annual account for Parliament to be audited.

My Lords will be prepared to furnish to the Paymaster-general and to the Commissioners of Audit any further instructions which they may require for their guidance, in giving effect to these directions.

When these arrangements shall have been carried into full effect, there will not remain any portion of the public expenditure defrayed out of the annual Votes of Parliament of which an annual audited account will not be submitted to the House of Commons.

Appendix, No. 2.

PAPERS relating to the Re-arrangement of the Services Charged on the Gross Revenue, Consolidated Fund, and Annual Votes in Supply. Appendix, No. 2.

MODE of providing for the Expenses of the Revenue Departments.

Among the various administrative reforms which have been submitted to the consideration of the Government during the last 20 years, and which have not yet been adopted, that of bringing the Revenue Departments under the direct control of the Legislature is, on account of the constitutional check on the appropriation of the public money which it involves, one of the most important. The Revenue Departments ought to be brought under the direct control of the Legislature.

The improvements which have been adopted since the Peace, in connexion with the application of the public money and the simplification of the public accounts, have chiefly been confined to the departments of expenditure. The financial improvements since the Peace have been chiefly confined to the departments of expenditure.

Thus, the Estimates of the Army, Navy, and Ordnance Departments have been revised and enlarged, the classification of their expenses improved and made uniform, and the principle of appropriating their Parliamentary grants clearly defined; their accounts have been

Appendix, No. 2.

been framed on one model, their forms have been assimilated, their payments have been concentrated in one office, and audited balance-sheets of their pecuniary transactions have been annually submitted to Parliament. But none of these arrangements have been extended to the Revenue Departments, which still continue as free from direct Parliamentary interference with their annual expenditure, as if the money they disbursed formed no part of the public account.

Opinion of Commissioners of Public Accounts, 1831.

The anomalous position of this branch of the Public Service was brought under the notice of Parliament in a Report from the Commissioners of Public Accounts to the Treasury in 1831, from which the following passages are extracted:

"To accomplish, with perfect security and efficiency, these objects of safe custody, legal appropriation and record, it is obviously necessary that all public moneys whatever should, in the first instance, be paid into the Exchequer. But it appears from the accounts laid before Parliament, that the whole amount of the public income is not so paid, but that amounts derived from divers sources of revenue are received and disbursed without the intervention of this institution, or being in any way submitted to its control.

"It is also certain that considerable sums arising from taxes and other matters are deducted from the gross receipts, and retained and expended by several departments, which only account to the Exchequer for the net amount after such deductions. We think this practice should be discontinued; and we recommend that the gross receipts of public money, whether arising from taxes in each part of the United Kingdom; from the income or sale of Crown property under the administration of the Woods and Forests; from the sale of old naval, ordnance, and other stores; from unclaimed dividends; unclaimed prize-money; deductions from pensions; loans on Exchequer bills; or from any other sources, should be placed, without deduction, in the custody of the Exchequer, and be accounted for to Parliament, whose authority should be necessary for the appropriation of the whole.

"We feel this principle to be one of paramount importance for the security of the public money, in the two great branches of Receipt and Expenditure. We think that no portion of the public treasure should be arrested, on any plea or pretence whatever, on its way to the Exchequer, and that no portion of it should be issued from the Exchequer, without previous Parliamentary sanction.

"Your Lordships will perceive that a really efficient and complete control can be introduced into the different departments of the Public Service only by the adoption and establishment of the principle we recommend, a principle which we believe to be the necessary preliminary to all satisfactory financial reform; by which means, not only will the whole of the public treasures be made available for the Public Service, but the expense of collection will appear as a part of the Public Expenditure, and be consequently placed immediately under legislative and official control."

Commissioners of Excise Inquiry: 11th Report, p. 57. 20th Report, p. 150 to 152.

A few years afterwards the Commissioners of Excise Inquiry, in their 11th and 20th Reports, expressed themselves to the same effect.

The recommendation of the Commissioners of Public Accounts has been complied with as regards—

Although the great departments of the revenue still continue to exercise the same independent power as formerly, of expending a large amount of the Public Income, without previously submitting to Parliament any specifications of their expenses, the recommendations of the Commissioners of Public Accounts have not been entirely disregarded, as the following references to some recent changes will show.

1st. The incidental receipts of the Naval and Military Departments.

Dated 2 May 1848.

1st. Previously to the year 1849, sums amounting to about half a million annually were received in the Naval and Military departments for old stores, rents, purchase of soldiers' discharges, unclaimed prize-money, and a variety of other services. It was the practice of these departments, up to the year 1848 inclusive, to retain these receipts, and to ask Parliament for so much less on their annual estimates. In that year the Treasury issued a Minute directing those departments to pay over thenceforth the amount of those receipts to the Exchequer, and to submit their estimates to Parliament for the full sums required for their disbursements.

2d. The receipts connected with services included in the Miscellaneous Civil Estimates: and,

2d. In the same year (1848), various receipts which had previously been retained in like manner for services included in the Miscellaneous Civil Estimates, amounting to about 200,000 *l.* a year, were under the like authority paid over to the Exchequer, and the full provision was voted for the services to which such receipts had till then been applied. As part of this arrangement, several offices whose expenses had been either wholly or in part defrayed out of fees, surrendered the amount to the Exchequer, and submitted estimates to Parliament for the full amount of their annual expenses.

3d. The expenses of management of the Woods, Forests, and Land Revenues of the Crown.

3d. In the Session of Parliament 1851, the sums required for the salaries, pensions, and expenses of the office charged with the management of the Woods, Forests, and Land Revenues of the Crown were, in pursuance of a clause introduced into the Act 13 & 14 Vict. c. 42, provided for in estimates submitted to the House of Commons, instead of being charged upon and stopped out of the revenues of that department in their progress to the Exchequer, according to previous usage.

In these changes the principles advocated by the Commissioners of Public Accounts in 1831, have been fully recognised.

Resolutions in accordance with the recommendation of the Commissioners have been twice carried in the House of Commons.

It should also be noticed that on two different occasions, resolutions in accordance with the recommendation of the Commissioners in reference to the payment of the gross revenue into the Exchequer, have been submitted to the House of Commons, and carried, notwithstanding the opposition of the Government.

Although

Although the progress which this question has made in 20 years appears but small, still the above-mentioned steps have been taken in the right direction. Indeed, the soundness of the principle laid down by the Commissioners, of paying the gross revenue into the Exchequer, and of obtaining the sanction of Parliament to the appropriation of the whole, has never been seriously disputed in the discussions which have taken place on the subject. Even Lord Monteagle, who, as Secretary of the Treasury, first opposed the recommendations of the Commissioners when their report was brought under consideration at the Treasury, and upon whose statement of objections their plan was at the time abandoned, has made the following admissions in the evidence given by him before the Select Committee on Miscellaneous Expenditure in 1848.

Lord Monteagle, who opposed the recommendation of the Commissioners, is favourable to the principle of the proposed arrangement.

In answer to Question 2545, his Lordship states:
"Undoubtedly the arrangement would give a more efficient control over the public money, if it were not connected with accompanying inconveniences."

And further:
"I need not say that to the principle itself I was strongly favourable."

In answer to Question 2551, his Lordship reiterates:
"The Committee will have the goodness to understand that I think the principle a good one to be adopted in all cases where there is not a practical objection to it."

And in reply to a further Question (2556), his Lordship continues:
"I think from year to year the tendency has been, for the last 20 years at least, to bring under Parliamentary control more and more of the expenditure of the country; and, in my opinion, most wisely and most justly."

It is needless to multiply these extracts; they sufficiently establish his Lordship's approval of the principle laid down by the Commissioners of Public Accounts in 1831; his objections rest solely upon supposed practical inconveniences, which he apprehends will "be found to be so great as to supersede the benefit."

It is, therefore, necessary to consider these practical objections as they are explained in the same evidence.

Practical objections to the measure as stated by Lord Monteagle.

His Lordship states, in answer to Question 2551:
"If you do not adhere to the present system, you must necessarily place in the hands of each of those departments (of revenue) a large contingent fund. You must enable them to pay their drawbacks, and various expenses of that description to which they may be subjected. They must have, therefore, a contingent fund at their command, and I think that that would be just as objectionable as the present mode."

1st. Necessity of reserving a large contingent fund.

And in answer to Question 2559, he continues:
"Unless Parliament were to vote a very large contingent sum, which would really practically leave the matter where it is now, it would be impossible to take the charges of the collection of the revenue, and make these matters of estimate and Parliamentary discussion, and make them matters of issue, subject to the control of the Exchequer."

In these answers it is assumed that it would be impossible to provide for the charges of collection by special grants of Parliament, unless a large vote for undefined contingencies were placed at the disposal of each of the revenue departments; and this course, his Lordship considers, would be as objectionable in point of principle as the present practice of paying without any vote at all. The reasons why a large contingent fund would be necessary, and why charges of collection or management cannot, in this branch of the public service, be made matters of estimate, as they are in all others, are not very clearly explained; but it is evident from a reply to another question in the same evidence (No. 2567), which is quoted in a subsequent part of this memorandum, that these supposed difficulties are founded upon a complete misapprehension of the course which it would be necessary to pursue to give effect to the recommendations of the Commissioners.

The explanations submitted in this paper in illustration of the course of proceeding which should be adopted to give practical effect to the measure, will set at rest all doubts as to the practicability of applying to the revenue departments the strict rules of Parliamentary appropriation as effectually as they are enforced in other branches of the Government.

Being asked whether he thought it would conduce to economy in the management and collection of the revenue in its various departments, if the whole of the Customs establishments, for instance, at each port were to be voted annually by Parliament, instead of being paid in the manner in which they are at present, his Lordship replies:— Question 2564, p. 192.

2d. Obstruction to the business of the House of Commons.

"I am persuaded, from the very long experience of 25 years, that instead of such a system being conducive to economy, it would lead to a very opposite result. Besides which, I believe, that taking the business of Parliament as it now stands, and the period which Parliament has for the discharge of that business, to require the House of Commons to vote, in addition to the present estimates, the estimates for the Customs and Excise, the Post Office and Stamps, in a Committee of Supply, would so augment the pressure as to make the business of the House of Commons, and especially its legislative business, utterly and completely impracticable."

Advantage of the constant supervision of past expenditure by Committees or by The House itself.

"But having said this, I wish to reserve an opinion of an opposite kind in the strongest way. While I think that the House of Commons, *à priori*, cannot with advantage vote in the way of estimate, yet when the expenditure has been incurred, I think the constant supervision by Committees, or by The House itself, of the expenditure which has been so incurred, comparing it from time to time with what Parliament may think it ought to be, is of the most enormous and pressing advantage. That was the opinion which, as Secretary to the Treasury, I gave to Lord Spencer and to the Commissioners of Accounts, and upon that statement of opinion their judgment was founded when they abandoned the scheme of voting these items in supply."

Modification of the preceding opinion.

This opinion, however, so strongly expressed in the answer just quoted, his Lordship materially modifies in his reply to a subsequent Question (No. 2585); he there states:—

"When the subject of gross and net revenue was brought before me officially, while I felt the impossibility of voting in supply all the expenditure, I was most desirous myself of considering any other plan which might be satisfactorily adopted, and I did submit to Lord Spencer a scheme for an annual inquiry before Committee into the past expenditure of the year. I confess that I attached some importance to that for a time; but viewing the course taken by Parliament itself, and viewing how very much things degenerate into matters of mere routine, viewing for instance, that where Parliament requires annual accounts to be laid before it, those accounts are not always examined with the same attention as when they are called for upon an occasion, I thought, upon the whole, there would be a better and more effectual control against any abuse if in Parliament it were left to move for a Committee, like the present Committee, upon a case shown, and the necessity of the case arising, and the public attention called to it, than to have every year a Committee which might degenerate into a Committee like that upon expiring laws, in which the chairman meets, the clerk attends, a paper is signed, and the paper is printed, and very little results beyond that. I was afraid it would become too much a matter of routine."

2564. 2585.

It seems scarcely necessary to dwell upon the suggestion contained in the first of the answers last quoted, as to the Parliamentary revision of past expenditure, because it is disposed of by the arguments used in the second answer. It should, however, be remarked, that a revision of expenditure, after it has been incurred and paid, falls more properly within the province of a department of audit, and that it comes too late for efficient Parliamentary control.

3d. Inconvenience of first remitting the public money to London, and then remitting a portion of it back again to pay the expense of collecting it.

His Lordship is asked in Question 2567, whether, in his opinion, any additional security would be given to the public against any misapplication of the money by which the expense of the civil government of Scotland is defrayed, if the whole of the Excise and Customs' Revenue were remitted from that country to London, and the payments required to be made in Scotland were again sent back thither. To which he replies as follows:—

"I do not think that any additional security would be given, but I am sure that a most operose, expensive, and troublesome system would be introduced in the place of a very simple one."

And in reply to a similar Question (2574) he adds:

"It would be attended with very great inconvenience to individuals and to the public; and the loss of time in the remittance of the public money first to London, and thence its remittance back to the outports for Revenue payments, would be very great."

Unfounded nature of this hypothesis.

This question, and the answer to it, supply the clue to those imaginary difficulties and inconveniences with which the question of the payment of the gross revenues of the State into the Exchequer is associated in the minds of those who have hitherto resisted the measure. Can they seriously imagine that the progress of improvement in the Government service has been so slow, that the ordinary facilities and securities for the remittance of money, so familiar to the commercial community, are still unknown or unpractised in the Revenue Departments; or that the pecuniary intercourse between the different branches of the Government is still of that primitive kind, that the gross revenues could not be paid into the Exchequer without sending up to London, from all parts of the kingdom, the gross sums collected, and transmitting back from the Exchequer to the country the sums required for the payment of the local charges of collection? It is needless to say that the supposition would be entirely erroneous. Indeed, the system which it would be necessary to adopt if the charges of management were provided for by annual votes of Parliament, is already in operation in the Revenue Departments all over the kingdom for other voted services. Thus, they pay monthly allotments of pay to seamen's relatives, remittances of wages and prize-money, half-pay of army, navy, and ordnance officers, military and civil pensions and allowances of all kinds, and various other services. These are all the subjects of annual estimates and votes, and they are paid in every part of the country by the local collectors of revenue out of their current receipts.

These payments in the several Revenue Departments do not probably fall far short of two millions annually; and if the Departments of Revenue have hitherto paid these voted services for other departments without difficulty, they could with at least equal facility pay their own.

The preceding extracts from Lord Monteagle's evidence before the Select Committee on Miscellaneous Expenditure in 1848, contain the principal, as well as the most recent, objections which have been recorded against the measure recommended by the Commissioners of Public Accounts in 1831. It has been considered the more necessary to comment fully upon them, because it was in deference to those opinions, founded, as they are, on entirely erroneous assumptions, that the Commissioners abandoned their measure, and thus delayed the accomplishment of a great practical improvement for more than twenty years.

Steps to be taken to give effect to the recommendation of the Commissioners of Public Accounts: 1st. A clear distinction should be made between *receipts* and *income*; and income alone, after deducting deposits, drawbacks, &c., should be accounted for to the Exchequer.

It is proposed now to consider the steps which should be taken to give effect to the recommendations of the Commissioners.

And first, as to Income:

It is necessary, in the first place, to draw a clear distinction between *Receipts* and *Income*. Taking the Customs as an instance; the gross receipt embraces the full sums paid to the Customs, whether in the nature of final receipts to be accounted for as income, or in the nature of deposits, part of which is eventually repaid to the merchant. The correct principle appears to be that income alone should be accounted for to the Exchequer. Thus, as a principle, all repayments of duties, whether for drawbacks, over-entries, or in whatever form they may arise, should be made out of the gross receipts, and the residue only accounted for as *Income*. To provide for the payment of drawbacks and other similar returns of duties, by Votes of Parliament, as *Expenditure*, would be to increase both the income and expenditure of the Customs beyond their legitimate amounts. Let the Customs apply to their accounts the principle which the merchant adopts in his. If he deposits with the Customs 1,000 *l.* for duties, which on the settlement of his account only amount to 900 *l.*, he receives back the over-payment of 100 *l.*, and the balance of the original deposit, viz. 900 *l.*, is the sum which he will debit his account with for duties *paid;* and this is also the sum which the Customs should credit in theirs for duties *received*.

2d. Expenditure.

2d. As to Expenditure:

Having provided above for those payments which are not expenditure, but repayments of duties overpaid, there remain two classes of payments which are now made out of income in its progress to the Exchequer: first, payments for the expenses of collecting and managing the revenue, which strictly belong to the business of the respective departments; and secondly, payments for various services which are in no way connected with the revenue, but which are specially charged upon it by various Acts of Parliament.

1st. Expense of collecting and managing the revenue; and, 2d. Payments charged upon the revenue by various Acts of Parliament.

Each department should prepare an estimate for Parliament of the expense of collecting and managing its revenue;

As regards the departmental expenses incidental to the collection and management of the revenue, each office should prepare an annual estimate of the sums required to defray such expenses, according to a form and classification to be approved by the Treasury; and as uniformity is desirable in all public estimates and accounts, the forms already in use for other public services should determine in a great measure the shape of the new estimates. It may also be desirable to consider whether a great part of the matter now laid before Parliament in the Finance Accounts, might not be added to the estimates in the form of explanatory Appendices.

and the other charges should be transferred to the Consolidated Fund, or the votes in supply.

With respect to those charges which are now paid out of the revenue of particular departments in pursuance of Acts of Parliament, but which do not in any way relate to the service of those departments, authority should be obtained for the transfer of such charges either to the Consolidated Fund or to the estimates to be voted in supply. The principle which should influence such transfers would appear to be this:

Principle which should be observed in making this apportionment.

That all grants for life or in perpetuity, the amounts of which are specified in the Acts of Parliament by which they are authorised, and which are not subject to revision (such as ancient grants, pensions, and stipends), and all salaries of judicial officers and other functionaries whose independence of Parliament it may be considered right to secure, by not subjecting them to the uncertainty of an annual vote, should be charged upon the Consolidated Fund. All other services would appear to be proper subjects for votes in supply.

Mode of disbursing the Votes of Parliament for collection and management.

It seems almost unnecessary to offer any suggestions upon so simple a matter as that of the routine to be adopted in disbursing the Votes of Parliament for the expenses of collection and management; but to prevent misconception, the following brief observations are submitted on that part of the subject.

The salaries and expenses would be paid everywhere, as at present, out of the local receipts; and the issues from the Exchequer out of the votes would be placed to a distinct account at the Bank of England for each department; all the rest would be simple matter of account in the books of each department, and of transfer between accounts at the Bank of England.

Illustration derived from the existing practice.

As a practical illustration, let us take the case of a payment on account of a voted service, which is now made by a collector of the revenue. An officer, under an order from the proper department, draws his half-pay quarterly from the Collector of Customs at Liverpool, to whom he gives his receipt for the sum paid to him. The Collector remits this receipt to the Custom-house in London, as he would a letter of credit or bill of exchange; it is then presented for payment to the officer in London charged with the examination and payment of half-pay (the Paymaster-General), by whom the amount is transferred from the vote of Parliament to the credit of the account of the Customs at the Bank of England. Such is the simple routine by which thousands of payments for voted services

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services are settled quarterly between the revenue departments and the various public departments of expenditure.

Revision of services charged on the gross revenue, Consolidated Fund, and annual votes in supply, necessary;

In the year 1846 the payments out of the revenue in its progress to the Exchequer, and the payments made out of the Consolidated Fund, were inquired into by the Treasury, with the view of bringing them "more fully under the control of Parliament," (as stated in one of the drafts of Treasury Minutes prepared at the time), and information was called for and obtained from all the departments concerned in the collection of the public revenue; but the inquiry did not lead to any practical result. The salaries and expenses of various public departments and commissions, and numerous other services, which it was intended in 1846 to provide for by annual votes, are still defrayed out of the gross revenue or the Consolidated Fund. Expenses perfectly similar in their nature are charged upon the gross revenue or the Consolidated Fund, or are provided for by Votes in Supply, without any fixed rule. The Registrar-General's Office, the large subordinate establishments of the Audit Office and the National Debt Office, the Public Works Loan Office, and the Inclosure and Tithe Commissioners and their establishments, are charged on the Consolidated Fund; and the greater part of the civil expenditure of Scotland is paid out of the gross revenue of the Customs and Excise; while all other public establishments, except those for the collection of the revenue, are annually voted. The expense of the Insolvent Debtors' Court in England is an annual vote in supply; in Ireland the same expense is a permanent charge on the Consolidated Fund. The expense of the London police is a charge on the Consolidated Fund; the expense of the Dublin police is the subject of an annual vote. The salaries of inspectors of prisons in Ireland, and other charges, are paid out of the Consolidated Fund, while precisely similar expenses in England are voted annually in the Civil Service Estimates. A few hereditary pensions are paid out of the gross revenue, while the greater number of such pensions are charged upon the Consolidated Fund. It is evident from these examples, that a revision of the services charged on the gross revenue and on the Consolidated Fund is necessary, and that, for the future, a clear line of distinction should be drawn between annual and permanent grants.

which would necessarily lead to a re-construction of the present annual Finance Accounts.

An alteration in the mode of providing for the expenses stopped out of the revenue, and a revision of the services to be permanently charged on the Consolidated Fund, would necessarily lead to a re-construction of the present Finance Accounts annually laid before Parliament. The matter and form of these accounts were settled by a Committee of the House of Commons in 1822, and in 30 years of progress they have undergone no change. A complete and careful revision of these accounts, and of the various detached periodical returns relating to finance, which the growing requirements of the Legislature have from time to time created, is a necessary preliminary to the preparation of a clear and comprehensive national account.

Inconsistent regulations in our system of financial control.

Before concluding this memorandum, it may not be superfluous to advert to a few facts which will serve to illustrate the absence of any defined principle of control over the general expenditure of the country. Take, for instance, the cost of the departments engaged in carrying on the public service. The expenses of some departments are submitted to Parliament in detailed estimates, and they are discussed, examined, and finally voted in the House of Commons, with a limitation both as to time and amount. Other departments prepare no such estimates, but the law gives them a permanent and unlimited credit upon the Consolidated Fund, and they are subject to no control over their expenses beyond that of the Government. Others, again, stop the amount of their salaries and expenses out of the taxes they collect for the public, and hand over the balance to the public treasury; they are under no Parliamentary restriction as to the amount of their expenses. One department may not expend 500 *l.* upon a storehouse or a hospital without submitting estimates to Parliament and obtaining a legal sanction for the outlay; while another department may build expensive offices, purchase or erect new buildings and machinery for a distillery, establish a revenue police, purchase and equip revenue cruizers, with no other limitation of cost than that which their own discretion or that of the Treasury may impose, without going through even the formality of an intimation to Parliament.

These inconsistent regulations are serious defects in our system of financial control, and they embarrass all attempts to simplify the Government accounts. The measure recommended by the Commissioners of Public Accounts in 1831, will go far to introduce uniformity and strengthen the control of the Legislature, while it will also lay the foundation of further important improvements in the public accounts.

C. E. Trevelyan.
W. G. Anderson.

1 February 1853.

The Bill "to alter the mode of providing for certain Expenses now charged upon certain Branches of the Public and Hereditary Revenues, and upon the Consolidated Fund," with the original Schedules; and the alterations made in the Bill and Schedules previously to the Act 17 & 18 Vict. c. 94, which was founded upon it, being passed.

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[Note.—*The words erased, and the parts printed in Red Ink, denote the alterations made in the Bill.*]

~~A BILL~~

AN ACT to Alter the Mode of providing for certain Expenses now charged upon certain Branches of the Public ~~and Hereditary~~ Revenues, and upon the Consolidated Fund.

[10*th August* 1854.]

[Note.—The Words printed in *Italics* are proposed to be inserted in Committee.]

~~Preamble.~~ WHEREAS the several Charges and Payments described in the Schedule (A.) to this Act are charged, by various Acts of Parliament or otherwise, upon certain Branches of the Public Revenue: And whereas certain other Charges and Payments described in the Schedule (B.) to this Act are also charged by the like Authorities upon the said Revenue and upon the Consolidated Fund respectively: And whereas it is expedient, in order to bring the gross Income and Expenditure of the United Kingdom and the Isle of Man under the more immediate View and Control of Parliament, that such Charges and Payments should be otherwise provided for, as hereinafter mentioned, and that the financial Accounts should be prepared and Payments regulated with reference to the Periods for which Supplies are now commonly granted by Parliament: Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows:

Charges in Schedule (A.) to be payable out of the Consolidated Fund; and Charges in Schedule (B.) to be ~~voted~~ paid out of Aids, &c. granted in Parliament, except in certain cases.

I. From and after the *First Day of April One thousand eight hundred and fifty-four*, the several Charges and Payments described in the Schedules (A.) and (B.) to this Act, and which, under the Acts and Authorities in the same Schedules respectively referred to, are charged on or made payable out of the several Branches of the Public Revenue in such Schedules mentioned, or on or out of the Monies in the Hands of Commissioners or Collectors or other Receivers of such Revenues, or otherwise now charged on or payable out of all or any Parts of such Revenue respectively, or on or out of the Consolidated Fund of the United Kingdom, shall cease to be so charged and payable; and such of the said Charges and Payments as are described in the said Schedule (A.) shall be charged on and payable out of the said Consolidated Fund; and such of the said Charges and Payments as are described in the said Schedule (B.) shall be paid out of such Aids or Supplies as may be from Time to Time provided and appropriated by Parliament for the Purpose:

Except in certain cases.

Provided always, that where the Salary of any Office holden for Life or during good Behaviour is fixed by or under any Act of Parliament, and charged on or payable out of the said Consolidated Fund, or payable out of the gross Produce of Customs and Excise under the Act of the Seventh Year of Queen *Anne*, Chapter Eleven, the Act of the Tenth Year of Queen *Anne*, Chapter Twenty-six, and subsequent Acts, nothing herein contained shall, so long as the present Holder of such Office continues to hold the same, affect the Charge on the said Consolidated Fund, or the Payment out of the gross Produce of Customs

Appendix, No. 2.

Charges to be defrayed as heretofore up to the passing of the Act.

Customs and Excise, of the Salary which at the Time of the passing of this Act is payable in respect of such Office: Provided also, that in the event of any Payment being made out of the said Revenues, or out of the Consolidated Fund, before the passing of this Act, on account of any of the Services described in the said Schedules for any Period subsequent to the said First Day of *April* One thousand eight hundred and fifty-four, the same shall be repaid to the said Revenues, or to the Consolidated Fund, as the case may be, out of the Consolidated Fund, or out of Monies which may be provided by Parliament for such Services for the Year One thousand eight hundred and fifty-four—five.

Annual Financial Accounts to be made up to 31st March instead of 5th January. ~~56 G. 3, c. 98, s. 22.~~

II. It shall be lawful for the Commissioners of Her Majesty's Treasury, if they shall see fit, at and after such Time as may appear to them convenient, instead of the Accounts now by Law directed to be annually prepared and made out for One Year ending on the Fifth Day of January in each Year of the total Income of the United Kingdom, including all the ordinary Revenues and extraordinary Resources thereof, and of the Income of the said Consolidated Fund, and of the actual Payments thereout, and of the future annual Charge upon the said Fund, and of the net Produce of all the permanent Taxes of the United Kingdom, and of the Arrears and Balances due from all public Accountants, and of the Exports and Imports of the United Kingdom, and of the Shipping registered in or belonging to the several Ports of Her Majesty's Dominions, and of the public Expenditure of the United Kingdom, and of the Public Funded Debt of the United Kingdom, and the Reduction thereof, and of the Unfunded and Outstanding Debt of the United Kingdom, and instead of the Account showing how the Monies given for the Service of the United Kingdom for the Year preceding the said Fifth Day of January have been disposed of, to cause Accounts to be annually prepared and made up for One Year ending on the Thirty-first Day of March, and in all respects with reference to such Day, in like Manner as if in the Provisions now in force relating to the Preparation and making out of such Accounts the Thirty-first Day of March was substituted for the Fifth Day of January; and the said Commissioners shall in each Year cause such Accounts to be laid before both Houses of Parliament on or before the Thirtieth Day of June, if Parliament be sitting, or if Parliament be not sitting, then within Fourteen Days after the next Meeting of Parliament.

Quarterly Accounts of Receipts and Expenditure of the United Kingdom to be made up to the end of March, June, September, and December, instead of the old quarter days. ~~10 G. 4, c. 27, s. 1.~~

III. It shall be lawful for the Commissioners of Her Majesty's Treasury, at and after such Time as may appear to them convenient, instead of the Accounts of the actual Receipt and Expenditure of the United Kingdom now by Law directed to be prepared Four Times in the Year within Thirty Days after the Fifth Day of April, the Fifth Day of July, the Tenth Day of October, and the Fifth Day of January respectively, showing the actual Receipt and Expenditure of the United Kingdom in the Four Quarters for the whole of the Year immediately preceding such several quarterly Days respectively, according to the actual Receipt and Issue of Monies at the Receipt of Her Majesty's Exchequer, to cause like Accounts to be prepared within Thirty Days after the Thirty-first Day of March, the Thirtieth Day of June, the Thirtieth Day of September, and the Thirty-first Day of December in each Year, showing such Receipt and Expenditure in the Four Quarters for the whole of the Year ending on such several last-mentioned quarterly Days respectively, and from and after the Time at which the said Accounts shall be first made up to any of such last-mentioned quarterly Days to which such Accounts shall be made up, in pursuance of this Act, the Sums by the Act of the Tenth Year of King George the Fourth, Chapter Twenty-seven, directed to be from Time to Time issued out of the said Consolidated Fund to the Commissioners for the Reduction of the National Debt, shall be ascertained according to such Accounts as if the last-mentioned quarterly Days had been mentioned in the said Act instead of the quarterly Days mentioned therein, and all other Provisions relating to the Accounts required to be prepared as aforesaid and referring to such quarterly Days shall be construed in like Manner.

10 G. 4, c. 27.

Accounts of Income and Charge of Consolidated Fund to be made up to the end of March, June, September and December, instead of the old quarter days.

IV. It shall be lawful for the Commissioners of Her Majesty's Treasury, at and after such Time as may appear to them convenient, instead of making up the Accounts of the Income and Charge of the said Consolidated Fund for the Quarters ending on the Fifth Day of April, the Fifth Day of July, the Tenth Day of October, and the Fifth Day of January in each Year, to cause such Accounts to be made up for the Quarters ending on the

the Thirty-first Day of March, the Thirtieth Day of June, the Thirtieth Day of September, and the Thirty-first Day of December in each Year, and from and after the Time at which the said Accounts shall be first made up to any of such last-mentioned quarterly Days, in case it appear to the Commissioners of Her Majesty's Treasury, upon making up such Accounts for the Quarter ending on any of such quarterly Days in any Year, that the Produce of the said Fund is not sufficient to defray the Charges thereupon, including such Charges as would fall due on the old quarterly Day then next, it shall be lawful for such Commissioners, from Time to Time, by Warrant under their Hands, to cause or direct Exchequer Bills to be made out for the Deficiency, according to the Provisions of the Act of the Fifty-seventh Year of King George the Third, Chapter Forty-eight, and as if the last-mentioned quarterly Days had been mentioned in such Act instead of the quarterly Days mentioned therein, and the Provisions of the said Act shall be construed accordingly.

57 G. 3, c. 48, s. 6.

Times to which quarterly Exchequer Accounts are to be made up.

V. It shall be lawful for the Commissioners of Her Majesty's Treasury, at and after such Time as may appear to them convenient, to direct that the quarterly Accounts now made up by the Comptroller-General of the Exchequer, under the Provisions of the Twenty-third Section of the Act, Fourth *William* the Fourth, Chapter Fifteen, shall be made up to the Termination of the Quarters ending Thirty-first *March*, Thirtieth *June*, Thirtieth *September*, and Thirty-first *December*, in every Year, and that the annual Account directed by the same Section of the said Act to be prepared and laid before each House of Parliament, together with the Certificates required to be furnished by the Principal Cashier of the Bank of *England* of the Sum remaining to the Credit of the Exchequer, shall be prepared for the Year ending on the Thirty-first *March*; and such quarterly Accounts shall thenceforward be transmitted to the Commissioners for auditing the Public Accounts; and such annual Accounts shall be laid before each House of Parliament within Ten Days after the Times fixed for such Purpose by the said Act.

Charges in Schedule (B.) may be paid on the new quarter days.

VI. It shall be lawful for the Commissioners of Her Majesty's Treasury, if and where they see fit, to cause all or any of the said Charges and Payments described in the said Schedule (B.) now payable on any other quarterly Days than the Thirty-first Day of March, the Thirtieth Day of June, the Thirtieth Day of September, and the Thirty-first Day of December, to be paid on such last-named Days, or where any such Charges or Payments are payable yearly or half-yearly on any other than some of such Days, to cause the same to be paid on One or Two (as the case may require) of such Days as aforesaid; and where the Days of Payment of any such Charge or Payment are altered as aforesaid the said Commissioners shall cause such Deduction to be made from the Payment to be made on the first of the substituted Days of Payment of such Sum as shall be proportionate to the Period by which such Payment is accelerated.

Fees applicable towards the Payment of Charges in Schedule (B.) to be carried to Consolidated Fund.

VII. Where any of the Charges and Payments described in the said Schedule (B.) are by Law payable out of or charged upon any Fees or other casual Receipts, and are payable out of the said Consolidated Fund only in the Event and to the Extent of any Deficiency of such Fees or other casual Receipts, such Fees or other casual Receipts shall from and after the said *First Day of April One thousand eight hundred and fifty-four*, in such Cases as the Commissioners of the Treasury may think fit and direct, cease to be applicable to such Charges or Payments, and be from Time to Time paid into the Receipt of the Exchequer, and be carried to and form Part of the said Consolidated Fund, in which Case the entire Charges shall be provided for out of Moneys to be granted by Parliament; but until such Fees or other casual Receipts shall be so paid into the Receipt of the Exchequer, in pursuance of any Direction of the Commissioners of the Treasury, the same shall continue applicable to such Charges or Payments, and such Charges or Payments shall be paid out of Aids or Supplies to be from Time to Time provided and appropriated by Parliament only in the Event and to the Extent of any Deficiency in such Fees or casual Receipts.

Appendix, No. 2.

Treasury may make Regulations, &c.

VIII. It shall be lawful for the Commissioners of Her Majesty's Treasury from Time to Time to make such Rules and Regulations and issue such Orders concerning the Form and Mode of Transmission of Certificates and Vouchers, and otherwise for checking, controlling, and regulating the Payment of the Charges transferred to the Consolidated Fund by this Act, and for enforcing and regulating the accounting for and due Payment of the Moneys to be carried to the Consolidated Fund under this Act, as they may think fit; and a Return of any such Rules and Regulations which may be issued by the Commissioners of Her Majesty's Treasury shall be laid before Parliament within Six Weeks from the Date of the Issue thereof, if Parliament be then sitting; and if not then sitting, within Six Weeks from the Day of the next ensuing Meeting of Parliament.

SCHEDULE (A.)

SCHEDULE OF SALARIES, PENSIONS, COMPENSATIONS, and other PAYMENTS, charged on the gross REVENUES of CUSTOMS, EXCISE, and TAXES, under the Acts 7 Anne, cap. 11; 10 Anne, cap. 26; 50 Geo. 3, cap. 31, and subsequent Acts, to be charged on the CONSOLIDATED FUND.

Salaries of the Lord President of the Court of Session, the Lord Justice Clerk, and the other Judges of the Court of Session performing the duties of the Courts of Session, Justiciary, and Court of Exchequer, and of the Bill Chambers, as fixed by the Act 2 & 3 Vict., cap. 36 - - - - - - - - -

Pensions of the Judges in Scotland, according to the Scale fixed by the Act 48 Geo. 3, cap. 145, and 2 Will. 4, cap. 54 - - - - - - - -

Salaries of Sheriffs and Sheriffs Substitute, per Act 16 & 17 Vict., cap. 80 - -

Retiring Allowances to the Sheriffs Substitute, under the Act 1 & 2 Vict., cap. 119 -

Compensations to various Persons for Loss of Fees, and Annuities, granted under the following Acts, viz.:

- 49 Geo. 3, cap. 42 - - - - - - - - - -
- 50 Geo. 3, cap. 112 - - - - - - - - -
- 1 & 2 Geo. 4, cap. 38 and cap. 39 - - - - - - - -
- 4 Geo. 4, cap. 97 - - - - - - - - - -
- 11 Geo. 4, & 1 Will. 4, cap. 69 - - - - - - - -
- 1 & 2 Vict., cap. 118 - - - - - - - - -
- 10 & 11 Vict., cap. 47, and cap. 51, and cap. 67 - - - -

Augmentation of Stipends to Scotch Clergy, under the Acts 50 Geo. 3, cap. 84; 4 Geo. 4, cap. 79; 5 Geo. 4, cap. 72, and cap. 90 - - - - -

Charges upon the Customs Revenue of the Isle of Man, under the Act 16 & 17 Vict., cap. 107 - - - - - - - - - - - - -

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SCHEDULE

SCHEDULE (B.)

SCHEDULE OF SALARIES and PAYMENTS charged under various Acts of Parliament upon or payable out of the Consolidated Fund, and ~~upon~~ the several Branches of the Public Revenues, to be provided for by ANNUAL VOTES, or otherwise, as prescribed in Clauses ~~21~~ and 67.

Now Charged on		
C. Fund	~~Salaries of Clerks Assistant, Serjeant at Arms, and Speaker's Secretary~~	~~12 & 13 Vict., c. 72.~~
,,	Salaries and Contingencies of the Audit Office, exclusive of the Salaries of the Board	46 Geo. 3, c. 141.
,,	Salaries and Contingencies of the General Register Office of Births, Deaths, and Marriages, England	6 & 7 Will. 4, c. 86.
,,	Salaries and Contingencies of the General Register Office of Births, Deaths, and Marriages, Ireland	7 & 8 Vict., c. 81.
,,	Salaries and Contingencies of the Tithe, Copyhold, and Inclosure Commission	6 & 7 Will. 4, c. 71. 14 & 15 Vict., c. 53. 8 & 9 Vict., c. 118.
,,	Salaries and Contingencies of the National Debt Office	4 Geo. 4, c. 19.
,,	Salaries and Contingencies of the Public Works Loan Office, including the Expenses of the Office for West India Islands Relief	5 Vict. (sess. 2), cap. 9 and 2 & 3 Will. 4, c. 125.
,,	~~Ditto~~ Contingent Expenses of the Lunacy Commissioners	8 & 9 Vict., c. 100.
,,	Salaries of Official Referees and Registrar for Metropolitan Buildings	7 & 8 Vict., c. 84. 9 Vict., c. 5.
,,	Salary of the Registrar of Friendly Societies	13 & 14 Vict., c. 115. 15 & 16 Vict., c. 65.
,,	Salary of the General Superintendent of Turnpike Roads in South Wales	7 & 8 Vict., c. 91.
,,	Salary of the Secretary to the Board of Education in Ireland and Contingencies of the Board	53 Geo. 3, c. 107. 3 Geo. 4, c. 79.
,,	Allowance in aid of the Royal Irish Academy, Dublin	40 Geo. 3, c. 60. 41 Geo. 3, c. 32.
,,	Expenses of the Police Courts of the Metropolis, except the Salaries of the Police Magistrates	2 & 3 Vict., c. 71.
,,	Expenses of the Mounted Police, River Police, and Police Van Service, and Superannuation of the late Horse and Foot Patrol	2 & 3 Vict., c. 47.
,,	Contribution towards defraying the charge of maintaining the Police of the Metropolis and Salaries of the Commissioners of Police	3 & 4 Will. 4, c. 89. 2 & 3 Vict., c. 47.
,,	Salaries and Contingencies, Queen's Prison	5 Vict., c. 22.
,,	Salary of Clerk of the Patents, Court of Chancery	3 & 4 Will. 4, c. 84.
,,	Salary of the Clerk of the Crown, Court of Chancery	3 & 4 Will. 4, c. 84. 7 & 8 Vict., c. 77. 15 & 16 Vict., c. 87, s. 23.
,,	Salaries of Treasurers of County Courts	9 & 10 Vict., c. 95.
,,	Deficiency of Fee Fund of County Courts to pay Salaries of Officers, and the Expenses of the said Courts other than the Salaries of Judges	

Now Charged on		
C. Fund.	Expenses of the Crown Office - - - -	6 Vict., c. 20.
"	Expenses of the Registrar's and Marshal's Office of the High Court of Admiralty - - - -	3 & 4 Vict., c. 66.
"	Remuneration to Revising Barristers for revising Lists of Voters in England and Wales - -	6 Vict., c. 18.
"	Deficiency of the Fee Fund for Payment of Salaries and Contingencies of Officers of Court of Queen's Bench, Westminster, excepting Masters - -	1 Vict., c. 30. 15 & 16 Vict., c. 73.
"	Deficiency of the Fee Fund for Payment of Salaries and Contingencies of Officers of Court of Common Pleas, Westminster, excepting Masters - -	
"	Deficiency of Fee Fund for Payment of Salaries and Contingencies of Officers of Court of Exchequer, Westminster, excepting Masters - - - -	
"	Salaries and Allowances of Officers (excepting Salary of Master of the Rolls and Masters in Ordinary) and Clerks and Expenses in the Court of Chancery in Ireland, under the Acts - - - - -	4 Geo. 4, c. 61. 6 Geo. 4, c. 30. 4 & 5 Will. 4, c. 78. 11 & 12 Vict., c. 132.
"	Salaries and Allowances of the Officers and Clerks of the Court of Queen's Bench, Ireland, excepting Masters - - - - - - - - -	7 & 8 Vict., c. 107.
"	Salaries and Allowances of the Officers and Clerks of the Court of Common Pleas, Ireland, excepting Masters - - - - - - - - -	7 & 8 Vict., c. 107.
"	Salaries and Allowances of the Officers and Clerks of the Court of Exchequer, Ireland, excepting Masters - - - - - - - - -	7 & 8 Vict., c. 107.
"	Salaries of Taxing Officers in Common Law Business, and of Clerks to ~~ditto,~~ the same, in Ireland -	7 & 8 Vict., c. 107. 1 & 2 Geo. 4, c. 53.
"	Salary of Clerk to the Court of Errors, Ireland -	40 Geo. 3, c. 39.
"	Salaries and Contingent Expenses of the ~~Commissioners and others, of the~~ Insolvent Debtors' Court, Ireland (except Salaries of Commissioners) - -	1 & 2 Geo. 4, c. 59. 3 Geo. 4, c. 124.
"	Salaries of Registrars to the Judges, Ireland - -	1 & 2 Geo. 4, c. 54.
"	Salaries of Marshals, Chaplains, Medical Officers; Repairs and Expenses of the Four Courts, Marshalsea, Ireland - - - - - - -	7 Geo. 4, c. 70. 7 Geo. 4, c. 74. 50 Geo. 3, c. 103.
"	Salaries of Justices of Police (Commissioners), Dublin - - - - - - - - -	6 & 7 Will. 4, c. 29.
"	Pay, Superannuations, and all other Expenses of the Constabulary Police in Ireland - - - -	9 & 10 Vict., c. 97. 10 & 11 Vict., c. 100.
"	Office of Clerk of Writs and Appearances and Seal Expenses (Dublin) - - - - - -	7 & 8 Vict., c. 107. 13 & 14 Vict., c. 18.
"	Registrar of Judgments, ~~ditto~~ Office of, Dublin -	7 & 8 Vict., c. 90. 13 & 14 Vict., c. ~~48~~ 74.
"	Expenses of Judges attending adjourned Assizes (Ireland), saving and except the Salaries and Remunerations to the Judges and Crown Lawyers acting judicially, and presiding or serving at adjourned Assizes - - - - - -	36 Geo. 3, c. 26, and 40 Geo. 3, c. 69, Irish.
"	Expenses of Judges attending Special Commissions (Ireland), saving and except the Salaries and Remunerations to the Judges and Crown Lawyers acting judicially and presiding or serving at Special Commissions - - - - - - -	

Now Charged on		
C. Fund.	Lodging Money for Judges at Assizes (Ireland) -	41 Geo. 3, c. 88.
,,	County Infirmaries, Ireland - - - - -	5 Geo. 3, c. 20.
,,	Bounty on Slaves, and Tonnage of Slave Vessels -	1 Will. 4, c. 55. 1 & 2 Vict., c. 47.
Now Charged on Customs and Excise.	Salaries and Allowances, and Expenses of the Officers, Clerks, and others of the several Courts of Law in Scotland, Salaries of Her Majesty's Advocate, Her Majesty's Solicitor, Keeper of the Register of Hornings and Abbreviates of Adjudications, Deputy Clerk Registrar and other Salaries, Allowances and Expenses payable out of the Revenues of Customs and Excise, and not placed on Consolidated Fund in Schedule (A.) - -	7 Anne, c. 11. 10 Anne, c. 26, and subsequent Acts.
,,	Her Majesty's Allowance for the Register House, Edinburgh - - - - - - - -	
,,	Salaries of the Lion King-at-Arms, Heralds and Pursuivants - - - - - - - -	
,,	Expenses of Judges and Officers of the Circuits of the Justiciary and Jury Courts - - - -	
,,	Expenses of extra Advocates Depute, Clerks and Macers on Circuit - - - - - - -	
Customs.	Difference between Dues on British and Foreign Vessels under Treaties of Reciprocity - - -	59 Geo. 3, c. 54.
Customs and Excise.	Treasurers of Counties for Corn Returns, Salaries of Inspectors, -&c-., and Expenses - - - -	5 Vict., (s. 2), c. 14.
Customs.	Expenses of Quarantine.	
Ditto.	Expenses of carrying out the Merchant Seamen and Mercantile Marine Acts - - - - - -	7 & 8 Vict., c. 112.
Excise.	The Commissioners of White Herring Fishery Board, &c., and for repair of Piers, Quays, and Boats, -&e.	5 Geo. 4, c. 64.
Ditto.	Ditto for improving Fisheries and Manufactures -	5 Geo. 1, c. 20.
Ditto.	Salaries to Process-servers, Ireland - - -	7 Geo. 4, c. 36.
Taxes.	Commissioners Highland Roads, -&e-. and Bridges -	59 Geo. 3, c. 35.
Post Office.	Expenses of Milford Road Fund - - - -	6 Will. 4, c. 25.
Customs.	Charges of Collection and Management of the Revenue, ~~Superannuations, Pensions, &c.,~~ of Customs -	Various Acts.
Inland Revenue.	Ditto - ditto ,, - ,, - -	
	Of Inland Revenue - - - - -	
Post Office.	Ditto - ditto ,, - ,, - -	
	Of Post Office - - - - - -	

Appendix, No. 2.

TREASURY MINUTE, dated the 22d August 1854, for carrying into effect the Provisions of the Act 17 & 18 Vict., cap. 94.

Object of the Act.

MY Lords read the Act 17 & 18 Vict., c. 94, altering the mode of providing for certain expenses heretofore charged upon certain branches of the Public Revenues, and upon the Consolidated Fund.

By this Act various judicial and other charges, which have hitherto been defrayed under the authority of various Acts of Parliament from the revenues of Customs, Excise, and Taxes, are made payable out of the Consolidated Fund from the 1st April 1854. These charges are enumerated in Schedule A. annexed to the Act.

Various other charges, described in Schedule B. annexed to the Act, which have hitherto been paid out of the Consolidated Fund, or out of the revenues of Customs, Excise, Taxes, and Post Office, are by the said Act removed from the Consolidated Fund, or from the said branches of the public revenue, and provision has been made for paying the same out of moneys provided by Parliament, as set forth in the Appropriation Act for the year 1854–5.

My Lords proceed to lay down the regulations for the future payment of these several charges, in accordance with the provisions of the Act.

Charges of collection to be paid, as before, out of the revenue collected on the spot.

In giving effect to that part of the Act which transfers the charges of collection and management of the revenue to the Votes of Parliament, my Lords consider it desirable to adhere, as far as possible, to the regulations at present established for collecting and remitting the public revenue, and for defraying the public services which have hitherto been paid in every part of the United Kingdom out of local receipts. The change which has been made in the mode of providing for the expenses of collection has for its object to bring that branch of the public expenditure under the annual revision of the House of Commons, and does not render it necessary to restrict the facilities which have hitherto existed for the payment of such expenses as may have received the sanction of Parliament. Under the existing mode of payment the public money is made available for the service of the public at the earliest moment, all unnecessary remittances to and from the country are avoided, a saving of interest and commission is effected, the security of the public money is promoted, and the public accounts are simplified. This mode of payment is moreover consistent with the provisions of various Acts of Parliament regulating the payment of naval and other voted services where they are directed to be made by the collectors of the revenue out of local receipts. My Lords desire, therefore, that the expenses of collection and management at the several stations throughout the United Kingdom may be paid, as heretofore, out of the revenue collected on the spot, and that the vouchers for such payments may be remitted to London and treated as bills recoverable out of the Votes of Parliament.

The cash received on account of revenue at the head offices in London has in like manner been made immediately available for the public service, and the claims on those offices have been satisfied out of the current daily receipts. The payment of such receipts to the Bank in gross, and the issue of them again from the Bank for the purpose of meeting the daily payments, would have the effect of increasing the balances, and would be attended with unnecessary risk. My Lords are therefore pleased to authorise the Revenue Departments to continue their existing banking arrangements, which are perfectly consistent with the strict appropriation of the grants of Parliament, with such modifications only as the following directions may render necessary.

The payments consist—

The payments to be made by the Revenue Departments, either at head-quarters or through their local collectors, will consist of—

1st. Of drawbacks, pensions, &c.;

1st. Drawbacks, repayments, pensions, superannuations and retired allowances. These payments remain as heretofore, finally chargeable on the revenue, and they will not be affected by any of the regulations to be made for the services to be defrayed out of the sums voted by Parliament for the charges of collection and management of the revenue.

2d. Charges of collection;

2d. Advances for charges of collection and management, which being provided for by votes of Parliament, will be repaid to the revenue out of such votes.

3d. Advances for other departments.

3d. Advances for other departments of Government for services provided for by Parliament, which will in like manner be repaid to the revenue out of the funds and in the manner prescribed by Parliament.

Royal Orders issued in favour of the Receivers of Customs and Inland Revenue and the Postmaster-general,

In accordance with the provisions of the Act 4 & 5 Will. 4, c. 15, which prescribes the authorities and forms for the issue of the grants of Parliament, my Lords have obtained Her Majesty's Royal Orders of Credit in favour of Sir Francis Hastings Charles Doyle, Bart., Receiver-General of Customs, for the following grants for the service of the year 1854–5; viz.,

£. 840,785 for salaries and expenses of the Customs Department.

479,320 for salaries and expenses of the Coast-Guard, including revenue cruisers.

And for the following sums, in favour of James Brotherton, Esq., Receiver-General of Inland Revenue; viz.,

£. 1,154,594 for the salaries and expenses of the Inland Revenue Department.

52,769 for the salaries and expenses of the Revenue Police in Ireland and "Seamew" steamer.

Also

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Also in favour of the Right Honourable the Viscount Canning, Her Majesty's Postmaster-General, for the sum of 1,525,335 *l.* to defray the charges for Post Office services, and the collection of the revenue of that department.

and forwarded to the Exchequer.

These Royal Orders, and the Treasury warrants required by the Act 4 & 5 Will. 4, c. 15, will be forwarded to the Comptroller-General of the Exchequer.

Course to be followed in making issues out of the grants.

When money may be wanted by the Revenue Departments on any of the votes of their respective estimates, either to replace advances made out of revenue, or to meet prospective payment, a certificate of the amount required on each vote, signed by the Comptroller-General of Customs, by the Comptroller and Accountant-General of Inland Revenue, or by the Receiver and Accountant-General of the Post Office, is to be addressed to this Board, when Exchequer credits for the amount applied for will be granted at the Bank of England. From these credits, the necessary writes-off or transfers to the drawing and vote accounts, or to such other accounts as the advances or payments may be made from, will be ordered by the persons authorised to draw on the Bank accounts.

Grants appropriated to services which will come in course of payment during the year.

My Lords desire to call the attention of the Revenue Departments to the terms of the Appropriation Act, by which the sums granted are to be appropriated; the several sums are granted for the services "which will come in course of payment during the year ending the 31st day of March 1855;" in other words, the payments to be made in the year are to be considered as the expenditure of the year chargeable against the grant of Parliament for that year. This principle of applying the votes of Parliament, which is in accordance with that adopted for all the naval and military expenditure, will enable the Revenue Departments to close their annual accounts of expenditure at a much earlier period than if the votes had been taken for payments falling due within the year.

Excess of expenditure beyond the grants should and can be avoided.

The Revenue Departments should be careful to avoid any excess of expenditure beyond the sums appropriated by Parliament in each year for the service of their respective departments. As so large a proportion of the expenditure consists of salaries of establishments, my Lords consider that there will be little trouble in so regulating them, and in making the proper provision for them in the annual estimates, as to avoid the danger of exceeding the limit of expense prescribed by the vote of Parliament.

Annual accounts of the expenditure, as compared with the votes, to be rendered to the Treasury for Parliament.

To give a further guarantee to Parliament for the due application of the sums granted upon the annual estimates, the several Revenue Departments are to prepare annually abstract accounts of the sums expended in the year contrasted with the sums voted; and these accounts are to be transmitted to this Board, for presentation to Parliament, as soon after the termination of the financial year as the same can be accurately made up.

Surpluses to be surrendered, and excesses to be voted.

If it should appear by these accounts that any surplus of grants remains after defraying the expenses of the year, the same will be declared available as Ways and Means; if, on the other hand, any excess of expenditure beyond the grants shall have taken place, a statement of the amount of such excess must be submitted to Parliament, that a special vote may be taken for it.

Salaries to be paid according to the new quarter days, from the 31st March 1855.

The payment of salaries which has hitherto been made for the quarters ending 5th of January, 5th of April, 5th of July, and 10th of October, in each year, should hereafter be made for the quarters ending 30th of June, 30th of September, 31st of December, and 31st of March. This change has already taken place in the Post Office, and it should be carried into effect in the Customs and Inland Revenue Departments not later than the 31st of March next, on which day my Lords propose to alter the termination of the quarters for the financial accounts.

Financial statements how to be prepared with reference to the quarter days.

My Lords also desire that financial statements of the gross receipt and net produce of the several heads of duty, of the charges of collection, and of the income and disposal of income for the quarter ended the 5th of April last, be made up in the usual form, to be laid before Parliament at its next meeting, and that the succeeding financial accounts be made up from that date to the 31st of March 1855.

Judicial charges in Scotland provisionally payable out of gross revenue.

According to the proviso contained in the first clause of the Act, the following charges of the judicial establishments in Scotland remain chargeable on the gross revenue during the lives of the present holders, and the Queen's and Lord Treasurer's Remembrancer will transmit to this Board separate quarterly schedules of such charges, that the issue of the amount may be authorised through the Receiver-general of Inland Revenue, and no further charge on account of the judicial establishment in Scotland will be payable out of the Customs Revenue, viz.:

	£.	s.	d.	
Salary of the Clerk of Justiciary - - -	185	–	–	per annum.
Presenter of Signatures (Exchequer) - -	300	–	–	„
Writer of Hornings - - - - -	50	–	–	„
Salaries of Sheriff Clerks - - - -	9,059	4	–	„
Estimated charge for 1854–55 - -	£. 9,594	4	–	

Charges in Scotland payable out of Consolidated Fund.

The following charges, included in Schedule A., hitherto paid out of the revenues of Customs, Excise, and Taxes, are made payable by the first clause of the Act, out of the Consolidated Fund, from the 1st April 1854, viz.:—

Salaries of the Judges of the Courts of Session, Justiciary, and Exchequer, and of the Bill Chambers, in Scotland.
Pensions of the Judges in Scotland.
Salaries of Sheriffs and Sheriffs Substitute, Scotland.
Retiring allowances to Sheriffs Substitute, Scotland.
Compensations to various persons for loss of fees and annuities, Scotland.
Augmentation of stipends to Scotch clergy.

Appendix, No. 2.

The Queen's and Lord Treasurer's Remembrancer will transmit to this Board a separate quarterly Schedule of the above charges payable out of the Consolidated Fund, upon which my Lords will give their usual warrant to the Paymaster-general to place the amount to his credit at the bank in Scotland employed by the Government.

Charges in Scotland payable out of Votes.

All other charges connected with the support of the judicial establishments in Scotland, and which are described in Schedule B. of the Act, are payable from the 1st of April 1854 out of the sums granted for such charges in the Appropriation Act for 1854–5. These charges are to be added to the Schedule of Services payable out of Votes of Parliament transmitted to this Board quarterly by the Queen's and Lord Treasurer's Remembrancer, in order that the issue of the amount thereof may be authorised through the Paymaster-General.

The salaries of the Macers, &c., of the Court of Session, and of the officers payable from the Fee Fund, are to be included in the Schedule of the Votes to be paid by the Queen's and Lord Treasurer's Remembrancer. The Collector of the Fee Fund will transmit to the Queen's and Lord Treasurer's Remembrancer, on the 1st September next, for the quarterly Schedule to the 30th September, a statement of the fees received by him since the close of the last quarter, and will pay the amount thereof to the account of the Votes of Parliament in the national bank where the Government accounts are at present kept; the Collector will follow a similar course, in future quarters, with the fees received by him in the three months ending on the 1st December, 1st March, 1st June, and 1st September, in every year.

Charges of Civil Government of Isle of Man.

The payments for the support of the Civil Government of the Isle of Man, and for public works, hitherto chargeable upon the Customs Revenue of the island, are payable out of the Consolidated Fund from the 1st of April 1854. These payments will continue to be made out of the local revenue by way of advance; and on the Commissioners of Customs transmitting to this Board the accounts of such advances in each quarter, my Lords will cause the necessary charge to be made on the Consolidated Fund, in order that the amount thereof may be repaid by the Paymaster-General to the Receiver-General of Customs.

Audit Office.

The salaries of the Commissioners for auditing the public accounts being payable out of the Consolidated Fund, while the other salaries, as well as the contingent expenses of the Audit Office, are payable out of the Vote of Parliament, the Salary List transmitted by the Commissioners of Audit to the Paymaster-General every quarter should be confined to the salaries payable out of the Vote of Parliament, as a distinct authority for the payment of the salaries of the Commissioners out of the Consolidated Fund will be issued to the Paymaster-General by this Board.

Commissioners of Lunacy.

As the salaries and travelling allowances of the Commissioners of Lunacy, and the salaries of their establishment, are continued on the Consolidated Fund, while the contingent expenses of the Commissioners are by the Act transferred to the Votes, separate applications for advances should in future be made by the Commissioners of Lunacy to this Board, in accordance with that arrangement.

Police Courts.

The statement furnished to this Board quarterly, upon which the advances to the Receiver of the Police Courts are authorised, should in future be divided into two statements; one for the salaries of the magistrates, the payment of which is charged on the Consolidated Fund; the other for the salaries of the clerks, ushers, gaolers, and messengers, and for the other expenses of the police courts which are payable out of the Vote of Parliament. As provision has been made for the full amount of the expenses of the police courts, the fees, penalties, and forfeitures hitherto applied in diminution of the charge on the Consolidated Fund, are payable to the Exchequer; and the Receiver should pay over to the Paymaster-General, for transfer to the Exchequer, the amount of such receipts from the 1st of April last. The contributions to the Civil Superannuation Fund, received since the 1st of April last, should, in like manner, be paid to the Paymaster-General, for transfer to the Exchequer, and the same course should be followed quarterly in future.

Charges, Ireland.

A copy of the Act and of the Supplemental (Revenue) Estimates for 1854–5 should be transmitted to the Paymaster of Civil Services in Ireland, in order that his quarterly Schedules may in future be prepared in accordance with the classification of the charges adopted in those estimates, the voted charges being classed in a separate Schedule.

The following services hitherto paid out of the Revenue of Customs have been provided for under "Vote 3, Miscellaneous Charges," in the Civil Supplemental (Revenue) Estimates for the year 1854–5, viz.:

Trinity Dues, &c. — Difference of Trinity Light and Pilotage Dues under Reciprocity Treaties.

Corn Returns. — Treasurers of Counties for Corn Returns.

Quarantine expenses. — Quarantine Expenses.

Merchant Seamen's Act. — Expenses of carrying out the Merchant Seamen's Act.

The Customs Department will continue charged with the duty of making these payments, but they are no longer to be finally charged upon the revenue. The Commissioners will transmit to this Board quarterly accounts of the advances made out of the Customs revenue for such services, that my Lords may authorise the Paymaster-General to issue out of the Vote of Parliament to the Receiver-General of Customs the amounts necessary to replace such advances.

The

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The following charges hitherto defrayed from the revenues of Excise and Taxes have also been provided for under Vote 3 of the Civil Supplemental Estimates for the year 1854–5, viz.:

Corn Returns.

Salaries of Inspectors of Corn Returns and Expenses.

Process Servers.

Salaries of Process Servers, Ireland.

Board of Fisheries, &c.

Expenses of the Board of Fisheries, and building of Piers and Quays, Repairs of Boats, &c., Scotland.

Highland Roads, &c.

Grant to the Commissioners of Highland Roads and Bridges.

Board of Manufactures.

Annuity to the Board of Manufactures in Scotland.

It is necessary that the payments for the first and second items should continue to be made by the Collectors of the Revenue; and on receiving quarterly applications from the Commissioners of Inland Revenue, my Lords will direct the Paymaster-General to repay the sums advanced to the account of the Receiver-General. With respect to the other three charges, my Lords will make arrangements for paying them in future by direct issues through the Paymaster-General.

Milford Road Fund.

The arrangement made by this Board in June 1840, under which an annual sum of 437*l.* 12*s.* 6*d.* has been paid out of the Post-Office revenue, to liquidate the principal and interest of loans made by the Public Works Loan Commissioners for the completion of roads in Carmarthen and Pembrokeshire, and which sum has been transferred to the Votes for the year 1854–5 under the head of "Milford Road Fund," is one which my Lords are of opinion should cease after payment of the sum voted for the present financial year. The additional rates of postage imposed by the Act 6 Will. 4, c. 25, on letters between Great Britain and Ireland, by way of Milford Haven, as a security for the repayment of the loans in question, having been abolished by the introduction of the Penny Postage in 1840, it does not appear to my Lords desirable that the fictitious mode of extinguishing the debt which has been pursued since that year should be continued.

Militia charges.

Under the Act 49 Geo. 3, c. 120, s. 76, relating to the Militia, the collectors of the revenue are required to pay to the clerks of general meetings, and to the clerks of sub-division meetings, the sums therein specified, as remuneration for their attendance. It is desirable that these charges should be removed from the Customs and Excise Revenues, and that they should be paid out of the general Militia Vote. My Lords therefore request that the Boards of Customs and Inland Revenue will issue the necessary directions for discontinuing such payments, and that the claimants may be referred to this Board for the future payment of the charges in question.

Two charges have hitherto appeared in the Finance Accounts laid before Parliament, as payable out of the Excise Revenue, under the head of "Payments other than Charges of Collection," which are not included in either of the Schedules annexed to the Act;

Allowances to officers of the late Tax Department.

1st. Allowances to late officers of the Tax Department in Ireland.

Clothing on removal of convicts Ireland.

2d. Expenses of Clothing on removal of convicts in Ireland.

As the Tax and Excise Departments are now consolidated, the first charge is clearly part of the general non-effective charge of the Inland Revenue Department, and should be paid out of the same fund as other similar charges.

The charge for clothing on the removal of convicts in Ireland, was transferred to the Votes in Class 3 of the Miscellaneous Estimates for the year 1849–50, and the charge on the Excise Revenue should have ceased from that year. My Lords will be prepared to direct the repayment to the Excise Revenue of all sums advanced for those expenses from the 1st April 1849, from which date an annual provision has been made for them in the Votes of Parliament, on receiving from the Commissioners of Inland Revenue a statement of the sums paid in each financial year. As these expenses are no longer chargeable on the Excise Revenue, my Lords are of opinion that it will be desirable to discontinue the present mode of paying them through the agency of the Collectors of Excise which was adopted under the provisions of the 117th section of the Act 7 Geo. 4, c. 74, and that arrangements should be made for paying them through the Paymaster of Civil Services in Dublin in future, for which purpose a communication is to be made to the Chief Secretary for Ireland.

Other charges in Schedule B.

With respect to the various charges in Schedule B., which are not specially referred to in this Minute, my Lords propose to issue separate directions as the charges come before them for payment.

Mode of adjusting past payments.

It only remains for my Lords to prescribe the mode of adjustment to be pursued, under the authority of the 1st clause of the Act, in regard to such of the payments made out of the gross revenues or out of the Consolidated Fund before the passing of the Act, as cease to be chargeable on those funds, for any period subsequent to the 1st April 1854.

The Commissioners of Customs, and the Commissioners of Inland Revenue, are to prepare and transmit to this Board statements of the sums advanced by them in the quarter ending 5th July last, and in the present quarter, out of the gross revenues of Customs, Excise and Taxes, for the several charges enumerated in Schedule A. of the Act, in order that my Lords may take the necessary steps for the repayment of the amounts to the several branches of the Public Revenue. As the advances made by the Revenue Boards for the Judicial Establishments in Scotland will be partly chargeable on the Consolidated

Appendix, No. 2.

solidated Fund, and partly on the Votes of Parliament, the Queen's and Lord Treasurer's Remembrancer will separate the proportions of such advances to be repaid to the gross revenue from each fund, in accordance with the division of such charges laid down for future issues at page 579 of this Minute.

The Commissioners of Customs and Inland Revenue, and the Postmaster-General, are also to prepare statements of the several sums advanced out of the revenue in the quarter to 5th July last, and in the present quarter, for services described in Schedule B. of the Act; and on receiving such statements my Lords will give the necessary directions for replacing the amounts to the different branches of revenue.

Transmit copy of the Act and of the Supplemental Estimates to the Paymaster-General, and to the Paymaster of Civil Services in Ireland, and desire that they will prepare and transmit to this Board separate statements, in accordance with the provisions of the 1st clause of this Act, of the sums advanced to them in the quarter to the 5th July last, and in the present quarter, out of the Consolidated Fund, for the several services described in Schedule B. of the Act, in order that my Lords may direct the issue of the necessary credits for the repayment of such advances to the Consolidated Fund.

Communications to the Exchequer,

Transmit to the Comptroller-General of the Exchequer the Royal Orders and Treasury Warrants authorising the issue of credits to the persons therein named for the several services transferred to the Votes of Parliament by the Act 17 & 18 Vict., c. 94, and acquaint him that my Lords propose to authorise the grant of credits at the Bank of England to the several Revenue Departments, in precisely the same manner as they do in the case of the Paymaster-General and other public accountants.

to the Bank of England,

Acquaint the Governor and Company of the Bank of England that Parliament having made provision by Votes for the expenses of the Revenue Departments, under the authority of an Act passed in the last session of Parliament (17 & 18 Vict., c. 94), it will be necessary that Exchequer credits should be granted to the Receiver-General of Customs, the Receiver-General of Inland Revenue, and the Postmaster-General, to enable them to defray such expenses, and that these Exchequer credits will be drawn upon by the several departments under the regulations already in force in regard to other accounts opened in their books for those departments, except that they will only be operated upon by writes-off.

to the Revenue Departments,

Transmit copies of this Minute to the several Revenue Departments for their information and guidance.

and to other Offices.

Write to the Secretary of State for the Home Department, the Chief Secretary for Ireland, the Commissioners for Auditing the Public Accounts, the Lunacy Commissioners, the Queen's and Lord Treasurer's Remembrancer, the Collector of the Fee Fund of the Court of Session, Scotland, and the Public Works Loan Commissioners, in accordance with the directions contained in this Minute.

TREASURY MINUTE, dated 24 November 1854, prescribing further Arrangements for giving effect to the Act 17 & 18 Vict., c. 94.

Further arrangements recommended by the Board of Inland Revenue.

MY Lords have before them a letter from the Commissioners of Inland Revenue, dated 19th ultimo, reporting on Treasury Minute of the 22d of August last, for giving effect to the provisions of the Act 17 & 18 Vict., c. 94, and submitting to my Lords certain arrangements connected with that department for carrying out the objects of the said Minute; these arrangements my Lords are pleased to sanction in the following Minute:—

Advances in Ireland to be repaid in England, and to be carried to the Irish Account.

Acquaint the Comptroller-general of the Exchequer that my Lords have received an application from the Commissioners of Inland Revenue, in which they request that authority may be given by this Board to his Lordship, to receive in London the sums to be repaid on account of advances made from the revenue of stamps and income-tax in Ireland, and to place them to the credit of the Exchequer Account in Ireland, in the same manner as he now deals with similar advances from the Excise Revenue in that country, and state that as my Lords fully concur in the suggestion made by the Commissioners of Inland Revenue, they desire that he will receive the sums in question in London on account of the Revenue collected in Ireland, and carry them to account accordingly.

A separate account for the quarter ended 5 April 1854 to be transmitted to the Commissioners of Audit.

Acquaint the Commissioners for Auditing the Public Accounts that the accounts connected with the Public Revenue will in future be made up for the year terminating on the 31st of March, instead of for the year ending on the 5th January; and that my Lords have given their approval to a suggestion made by the Commissioners of Inland Revenue on the 19th October last, for making up the accounts of the Accountant and Comptroller-general of that Department to the 31st March in each year, instead of to the 5th January; and that under this arrangement a separate account for the quarter from the 6th January to the 5th April 1854, will be prepared and transmitted to them.

Salaries and allowances to be uniformly calculated for broken periods according to the number of days in the quarter.

The Commissioners of Inland Revenue have suggested that it would be convenient if my Lords would authorise them to adopt one uniform principle in the mode of computing salaries and allowances for broken periods in the several branches of their department; and they have called attention to the correspondence which took place on this subject in the year 1851, on a similar suggestion made by the Commissioners of Audit.

My Lords have again under their consideration the reports made to them on this subject by the Commissioners of Audit on the 8th July and 5th September 1851, and by the Commissioners

missioners of Inland Revenue on the 9th August and 15th December 1851. It appears from these Reports that the obstacle to the adoption of one uniform principle of computation for broken periods arose from the great variation in the number of days in the revenue quarters; but this objection no longer exists. The expenses of collection being now voted, and the revenue year having been altered to correspond with the financial year, my Lords are of opinion that the change in the mode of computing broken periods in the Excise branch of the Inland Revenue Department, proposed by the Commissioners of Audit in their letter of the 8th July 1851 should now be adopted. Appendix, No. 2.

Acquaint the Commissioners of Audit and the Commissioners of Inland Revenue that the uniform principle of calculating broken periods of a quarter according to the number of days in the quarter, is to be adopted in future.

Acquaint the Commissioners of Inland Revenue that my Lords approve of their deferring the change of period for making up the charges of the several duties, and for holding sittings for the collection thereof, until the quarter commencing on the 6th January next. Change of period to be deferred in certain cases till the January quarter.

State also that my Lords concur with them in considering the half-yearly reports of increase and diminution as superseded by the annual Estimates and Accounts to be submitted to Parliament. Half-yearly reports of increase and diminution superseded by the annual estimates and accounts.

Acquaint them, also, that my Lords have given directions to the Comptroller-general of the Exchequer respecting the receipt of money in England on account of Irish Revenue, and to the Commissioners of Audit respecting the period of making up the account of the Accountant and Comptroller-general in accordance with their suggestions. Inland revenue informed of instructions to Exchequer and Audit Board.

Treasury Minute, dated 2 March 1855, for paying the Revenue to the Exchequer Account daily.

My Lords read again their Minute of the 26th September 1834, explanatory of the Exchequer Regulation Act, 4 Will. 4, c. 15. In that Minute they prescribed the regulations under which transfers should be made from the accounts of the several Receivers General of the Revenue at the Bank of England to the Account of the Exchequer. According to the Minute of 26 Sept. 1834, the Receivers-general make their payments to the Exchequer on three days in the week.

According to those regulations, the Receivers General are required to make their payments to the Exchequer Account by one o'clock on three days of every week, Tuesdays, Thursdays, and Saturdays, and on quarter days up to five o'clock of the afternoon.

It appears to my Lords desirable that the transfers should be made from the accounts of the Receivers General to that of the Exchequer at the Bank of England daily, in order that the revenue may be rendered available for the public service with the least possible delay. This arrangement is already in operation at the Bank of Ireland. The payments to be made daily in future.

My Lords do not intend to make any alteration in the hour fixed by their former Minute for making the transfers to the Exchequer Account, except that in order to expedite the completion of the accounts of the Revenue prepared on the last day of each quarter, no second transfer should take place on those days, but that the Receivers General should complete their payments to the Exchequer Account by one o'clock P.M., as on other days. On the last day of each quarter the Receivers General to complete their payments by one o'clock, as on other days.

Under the Minute of the 26th September 1834, which directed that the Receivers General should not reserve on their accounts larger sums than the public service required, some of the Revenue departments have made their daily transfers for fractional sums. My Lords consider that it will promote simplicity in the accounts if the Revenue departments, in their daily transfers upon account to the Exchequer, will avoid paying in the fractional parts of 1,000 *l.* The fractional parts of 1,000*l.* not to be paid in.

As my Lords wish to receive the earliest information of the sums paid to the Exchequer, they desire that the Revenue departments will immediately advise them of the daily transfers, and when arrangements shall have been made for discontinuing the specification papers now in use, that they will send a duplicate of such advice to the Comptroller-general of the Exchequer. When no transfers are made, nil returns are to be sent. The daily transfers to be immediately advised to the Treasury and Exchequer.

The same Minute prescribes that no sum shall be received on the Exchequer Account at the Bank of England without the production of a specification paper, signed by the Comptroller-general or Assistant Comptroller of the Exchequer. Although this regulation is necessary in regard to a certain class of miscellaneous receipts, it causes inconvenience and delay when applied to the regular transfers made by the Revenue departments. Each department is compelled to send to the Exchequer-office, in Whitehall-yard, to obtain the required specification paper before any transfer can be made to the Exchequer Account at the Bank; and the inconvenience arising from this regulation will be much increased when the daily transfers directed by this Minute come into operation. My Lords are therefore desirous of relieving the Customs, Inland Revenue, and Post Office departments from the regulation prescribed by their Minute of the 26th September 1834; and they desire that the Comptroller-general may be informed of their wishes in regard to the discontinuance of the specification papers, and that he be requested to suggest the mode in which this can be done without inconvenience to his department. Inconvenience of specification papers in reference to the regular transfers made by the Revenue Departments.

As

The Comptroller of the Exchequer requested to furnish daily returns of specifications and credits.

As my Lords find that it is necessary for properly conducting the public service that they should be enabled to ascertain the state of the public monies in the Exchequer daily, instead of weekly, as at present, they desire that the Comptroller-general of the Exchequer may be requested to furnish this Board with a daily return of the specifications signed at the Exchequer for the receipt of money on the Exchequer Account at the Bank of England, and also with a daily return of the amount of credits granted on the Exchequer Accounts at the Banks of England and Ireland under the several heads of service, for the Consolidated Fund and for Supply Services, according to the forms annexed.

Credits to the Paymaster-general to pay off Deficiency Bills to be granted in the same manner as other credits.

When the preceding arrangements shall have been carried into effect, my Lords consider that the credits to the Paymaster-general, to enable him to pay off Deficiency Bills, may be granted on letters of direction signed by the secretary or assistant secretary to this Board, in the same manner as all other credits are granted, and that the "set-off" and credit may be sent to the Bank on the same day. Let the Comptroller-general of the Exchequer and the Paymaster-general be requested to make arrangements accordingly.

The Revenue year to be assimilated to the Financial year from the 31 March 1855.

My Lords are authorised by the Act 17 & 18 Vict. c. 94, to alter the periods of making up the revenue and other accounts from the 5th April, 5th July, 10th October, and 5th January (the dates to which the quarterly accounts have hitherto been made up) to the 31st March, 30th June, 30th September, and 31st December, so that the Revenue year and the Financial year may terminate on the same day, viz., 31st March.

My Lords desire that the Revenue Boards will make this change on the 31st March next, and that the quarterly accounts may in future be made up to the 30th June, 30th September, 31st December, and 31st March in each year.

The Comptroller-general of the Exchequer to regulate his proceedings accordingly.

Acquaint the Comptroller-general of the Exchequer, and request that he will consider all payments which he may have been authorised to make out of the growing produce of the Consolidated Fund for the quarter to the 5th April 1855 as applicable to the quarter ending 31st March 1855; and request, further, that his quarterly account for the Audit Office, and his annual account for Parliament may be regulated accordingly.

Improved daily and weekly accounts to be rendered by the Banks of England and Ireland.

Inform the Bank of England and the Bank of Ireland of the several changes directed by this Minute, so far as they relate to each; and request the Bank of England to substitute for the daily and weekly returns specified in the margin, a daily account of receipts and payments according to the form annexed (A.), and in lieu of weekly accounts of cash balances of public accountants, and payments thereout, to transmit a weekly account according to the amended form annexed (B.)

1st. Daily account of the particulars of sums paid to the Exchequer account.
2d. Weekly return of Exchequer monies in the Bank of England.
3d. Weekly return of Exchequer deficiency bills.
4th. Weekly Bank returns of Exchequer credits, and payments thereout.

Copies of the Minute to be sent to various departments.

Transmit copy of this Minute to the Boards of Customs and Inland Revenue, and to the Postmaster-general, and desire that they will govern themselves accordingly.

Transmit copy also to the Commissioners for Auditing the Public Accounts.

Write to the Comptroller-general of the Exchequer, the Paymaster-general, the Bank of England, and the Bank of Ireland, as directed.

FORM

FORM (A.)

Appendix, No. 2.

The Account of H. M. Exchequer at the Bank of England, on the 185

Dr.			*Cr.*		
To Payments under the following Heads:	£.	s. d.	By Balance brought from the 185 - - - -	£.	s. d.
1st *Consolidated Fund:*			„ Revenue and other Receipts, under the following Heads, viz.:		
			Customs - - -		
			Excise - - - -		
			Stamps - - }		
			Land and Assessed Taxes }		
			Property Tax - -		
2d. *Supply Services:*			Post Office - - -		
Army - - -			Crown Lands - -		
Navy - - -			Drainage Advances -		
Ordnance - - -			Public Works and Fisheries		
Total Payments - £.					
To Balance carried to next Account:—	£.	s. d.			
Balance of Credits remaining - - }					
Available Balance -			By Advance made this Day on Deficiency Bills - - -		
Total - £.					
Total - £.					

Balance of Exchequer Credits remaining at the Close of the Week ending Saturday the 185 .

To whom granted.	Service.	Amount.
		£. s. d.

Exchequer Deficiency Bills outstanding, Week ending

	£. s. d.
Advanced in the Quarter commencing 1st of 185 - - -	
Paid off in ditto - - - - - - - -	
Outstanding on the 185 - - - - £.	

Appendix, No. 2.

FORM (B.)

RETURN of CASH BALANCES on the following PUBLIC ACCOUNTS at the BANK of ENGLAND on Saturday the 185 .

		£. s. d.	£. s. d.
Customs:—Receiver-General	Cash Account		
	Drawing Account		
Inland Revenue:—Receiver-General	Excise		
	Stamps and Taxes		
	Postage Stamps		
	Duties on Property		
	Bankruptcy Stamps		
	Admiralty Stamps		
	Chancery Stamps		
	Drainage Repayments		
Postmaster-General	Cash Account		
Commissioners of Woods, &c.	Cash Account		
	Drawing Account		
Paymaster-General	Cash Account		
	Drawing Account		
	Bill Account		
	Patriotic Fund		
Master of the Mint	Cash Account		
Solicitor of the Treasury			
Receiver of the Metropolitan Police			
„ for the Police Courts			
Registrar of the High Court of Admiralty			
Receiver-General of Droits of Admiralty			
Registrar-General of Births, Deaths, &c.			
Poor Law Board			
British Museum, Trustees of	Cash Account		
„ „	Drawing Account		
Commissioners, Colonial Land and Emigration			
„ Inclosure, England and Wales			
„ Ecclesiastical			
„ Greenwich Hospital			
„ Loans for Public Works, &c.			
„ Metropolitan Roads. (Lord Lonsdale and others)			
Agent General for Crown Colonies. (E. Barnard)			
Trinity House, London (Public Account)			
Insolvent Debtors' Court, Chief Clerk of			
Receiver of Fines, &c. (John Wilkin)			

Appendix, No. 2.

Treasury Minute; dated 25 September 1855, relating to Exchequer Specifications and Acquittances.

Treasury empowered by the Act 18 & 19 Vict., c. 96, to regulate specifications and acquittances.

My Lords read the Act 18 & 19 Vict. c. 96, which contains the following clause conferring on them powers to prescribe amended regulations for the payment of moneys to the Exchequer Account at the Bank of England, and for the grant of acquittances to the persons by whom such payments are made, viz.:

"1. All Customs duties and other public moneys payable to the Exchequer Account at "the Bank of England shall be received to the credit of such account by the Governor and "Company of the said Bank, under such regulations and directions as the Commissioners "of Her Majesty's Treasury shall from time to time prescribe; and the specifications or "statements of particulars required by an Act passed in the fourth year of the reign of his "late Majesty King William the Fourth, intituled, 'An Act to regulate the Office of the "'Receipt of his Majesty's Exchequer at Westminster,' to be delivered to the cashier or other "officer of the Bank of England by the person paying in any such money shall be required "only in such cases, and shall be signed and issued by such person as the said Com-"missioners shall from time to time direct; and the acquittances for all payments made to "the account of the Exchequer at the Bank of England shall be made out in such form "and under such regulations as shall be prescribed by the said Commissioners, and such "acquittances shall have in all respects the same force and validity in law as the acquit-"tances heretofore given by the Comptroller of the Exchequer by virtue of the ninth section "of the said recited Act of the fourth year of the reign of King William the Fourth, chapter "15; and the several orders, rules, and regulations which may be issued under the authority "of this Act by the said Commissioners of Her Majesty's Treasury, as relating to such "specifications and acquittances as aforesaid, shall be laid before both Houses of Parlia-"ment within six weeks after the issue of such orders, rules, and regulations, if Parliament "shall be sitting, or if not sitting, then within six weeks next immediately after the "reassembling of Parliament."

Commissioners of public accounts recommended that the Bank should receive payments from the Receivers-general directly and from all other persons on special authority from the Treasury.

In framing new regulations to amend and simplify the course of proceeding laid down in the Act 4 & 5 Will. 4, c. 15, for the receipt of moneys at the Bank of England on specification papers previously obtained at the Exchequer, my Lords advert to the recommendation contained in the First Report of the Commissioners of Public Accounts on the Exchequer (Parliamentary Paper, No. 313, October 1831), on which that Act was founded. In that Report (page 9) the Commissioners state:

"We propose to remove all difficulties with respect to the legal admissibility of payments "made into the Bank of England on the public account (a subject which appears to have "been attended with some trouble and perplexity, and to have given rise to various official "and technical embarrassments), by providing that all payments into the Bank be classified "under two heads; first, the payments of the receivers-general and other receivers of "taxes, who are known and recognised public officers, which payments the Bank should be "authorised to receive directly from these officers; and, secondly, all other payments of "money due to the public; which latter the Bank of England may be directed to receive "on account of the Exchequer, on special authority from the Treasury, given by documents "according to prescribed forms."

My Lords consider that the adoption of the recommendation of the Commissioners of Public Accounts in 1831, as to the direct receipt of moneys at the Bank from the receivers-general and other receivers of taxes who are known and recognised public officers, will obviate the delay and inconvenience to which those officers have hitherto been subjected by the regulation which requires them to apply daily at the Exchequer for a special authority to the Bank to receive from them the sums payable to the Exchequer Account. They are, moreover, of opinion that the further recommendation of the Commissioners of Public Accounts, as to the payment of other moneys to the Exchequer Account, on special authority from the Treasury, given by documents according to the prescribed forms, should also be adopted, as it will give this Board the earliest information of sums payable to the credit of that account, which is essential to the proper regulation of the issues for the public service.

New regulations respecting specification papers.

My Lords therefore direct that the following regulations as to "Specification Papers" shall be substituted for those which have been in force since the passing of the Act 4 & 5 Will. 4, c. 15.

1st. The Bank to receive, without special orders, sums paid by the Revenue Departments and the Paymaster-general.

1st. The Bank of England shall receive from time to time from the Customs, Inland Revenue, Post Office, and Woods and Forests Departments, under the authority of this Minute, all sums which those departments may have to transfer to the Exchequer Account, without any special receivable order. They shall also receive, without special receivable orders, all sums which the Paymaster-general may from time to time transfer to the credit of the same account.

2d. Statements of such payments to be made to the Treasury and Exchequer.

2d. On payment of any sum to the Exchequer Account by the Revenue Departments above-named, or by the Paymaster-general, a statement showing the head of Revenue to which the amount is to be credited, or in the case of the Paymaster-general, a full description of each receipt, as at present, is to be prepared in duplicate, one copy of which is to be forwarded to this Board and the other to the Exchequer, on the day on which the payment is made to the Bank.

3d. In all other cases receivable orders to be furnished by the Treasury, which are to be sent at the close of each day by the Bank to the Exchequer.

3d. All other persons by whom money is payable to the Exchequer Account at the Bank are to apply to this Board for special "Receivable Orders," by which the Bank of England will be authorised to receive such sums from them. At the close of each day the Governor and Company of the Bank of England are to transmit all such special receivable orders issued by this Board which may have been delivered to them on payment of any sum into their hands for the Exchequer Account to the Comptroller-General of the Exchequer. These orders will contain the necessary particulars for the accounts and returns which the Comptroller-General is required to transmit to this Board.

Object of acquittances.

The acquittances for all payments made to the account of the Exchequer at the Bank of England are directed by the Act 18 & 19 Vict. c. 96, to be made out in such form and under such regulations as shall be prescribed by this Board. As the obvious intention of these acquittances is to prevent the possibility of a public accountant obtaining credit for a payment into the Exchequer which he has not actually made, my Lords are of opinion that this object will be effectually secured by the preparation of a certificate of payments made to the Exchequer Account by public accountants, and the transmission of such certificate direct from the Exchequer to the Audit Office.

A monthly return of payments to be sent from the Exchequer to the Audit-office, where it is to be admitted as evidence of sums paid to the Exchequer.

My Lords therefore direct that a monthly return shall be prepared at the Exchequer, after the close of each month, in which the Comptroller-general shall certify the sums paid in by the several receivers-general on account of the different branches of the public revenue, and by all other public accountants, and that this return shall be transmitted by the Comptroller-general to the Commissioners for Auditing the Public Accounts, by whom it shall be admitted as evidence of the sums paid to the Exchequer by such receivers-general and other public accountants, according to the terms of the first section of the Act 18 & 19 Vict. c. 96.

Copies of this Minute to be furnished to the Bank and various public departments.

Transmit copy of this Minute to the several Revenue Departments, to the Commissioners of Audit, and to the Paymaster-general, for their information and guidance, and acquaint them that it is to take effect from and after the expiration of the present month.

Transmit copy to the Governor and Company of the Bank of England, and request that they will take the necessary steps for giving effect to it, so far as it relates to the Bank, from the commencement of the ensuing month.

Transmit copy to the Comptroller-general of the Exchequer, and request that any persons who may apply to him for specification papers after the close of the present month may be referred to this Board.

The Treasury Minute, dated 2d May 1848, directing the payment of the Old Store Moneys and extra receipts into the Exchequer, instead of abating them from the Annual Naval and Military Estimates, as "Appropriations in Aid," will be found at page 115 of the series of Papers relating to the Audit of Naval and Military Accounts.

Appendix, No. 3.

COMMISSARIAT CHEST ACCOUNT.

MEMORANDUM by Mr. *Anderson*, dated in 1840.

Appendix, No. 3.

The Account of Army Extraordinaries should not be considered as one of "Expenditure," but simply as an intermediate account, from which other *voted* services receive temporary advances on the security of their grants, which advances should be repaid by the several departments, without reference to the state of their votes. This is, in fact, now the practice of some of the departments that are accommodated with advances out of the military chest: for instance, when public accountants abroad belonging to the Navy or Ordnance require money from the commissaries, it is advanced to them out of Army Extraordinaries; and on receipt of the necessary documents in England, repayment of such advances is claimed, and made without inquiry as to whether such repayment will cause an excess or not on the grants for Navy or Ordnance services. Thus the Army Extraordinaries are never charged with any deficiency arising on the Navy and Ordnance Estimates. The same course should be pursued with the Army and Commissariat; whatever sums are advanced out of the military chests abroad for those services should be repaid in England to the account of Extraordinaries out of the moneys voted for Army or Commissariat services, without waiting to ascertain if such repayment will lead to an excess on any particular grant or not. If an excess should arise, it would be the duty of the department to which the expenditure belonged to go to Parliament with a Supplementary Estimate. The reason which has been assigned for not charging these excesses on the Army or Commissariat grants is, that they generally arise from unforeseen contingencies, which are not provided for in the annual Estimates; but it is necessary not to lose sight of the fact that *under the present system* these unforeseen contingencies, whether voted or not, *are actually defrayed, in the first instance, out of the Army grants.* The arrangement suggested, that of requiring *every* department to repay in full all advances to it out of Extraordinaries, would satisfactorily define the service for which an excess of expenditure was incurred, instead of concealing it under the ambiguous title of "Extraordinaries;" and if a vote were ever required to make good a deficiency, the particulars of the expenditure could be easily supplied by the department to which it related. Were this course adopted, and votes taken, moreover, for the freight of specie, passage money, and other small items, the account of Army Extraordinaries, instead of exhibiting, as it now does, year after year, an increasing deficiency, would on the contrary show a surplus of receipts, arising from the gain by exchange and other receipts abroad, which are not repaid in England. It would be easy to dispose of these receipts by appropriating them in aid of the Commissariat Estimates, and transferring them accordingly in the books of the Paymaster-general.

The Account of "Army Extraordinaries" herewith, exhibits the sums received and paid by the Paymaster-general in the years stated; but as the account is almost exclusively one of imprests or advances, any attempt in his office to set forth the items which constitute the gross deficiency, or even to state the proportion of the balance which may be considered as deficiency, would be fruitless. An approximation might be attained if the several departments could furnish estimates of the probable sums advanced to them out of the military chests abroad up to the close of last year, which were not repaid at that time. Such estimates abated from the balance on the account herewith, after giving effect to all outstanding bills to the same date, and the difference between the balance at the beginning and at the close of the year, would leave the probable sum to be provided for.

AN ACCOUNT showing the GROSS PAYMENTS by Her Majesty's Paymaster-General for ARMY EXTRAORDINARIES, also the TOTAL SUMS received to the Credit of that Account, and the NET SURPLUS EXPENDITURE remaining uncleared.

Commencing on the 1st April 1833 (the Date from which the Annual Votes for Army Extraordinaries have been discontinued), and ending on the 31st December 1838.

	Nine Months, from 1 April to 31 December 1833.	1834.	1835.	1836.	1837.	1838.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Bills drawn on the Treasury by Commissaries abroad	1,025,000 – –	1,272,607 6 1	1,685,028 3 11	1,820,571 8 10	1,893,665 9 10	2,597,167 3 3
Repayment of Sums paid into the Military Chest abroad	156,488 6 10	143,679 5 4	140,903 15 11	79,273 12 10	200,316 5 1	189,596 7 –
Purchase of Specie	– – –	218,442 11 11	150,503 10 –	201,500 – –	132,373 19 2	24,120 – –
Freight of Specie	1,672 3 10	3,739 11 7	2,683 – 2	4,662 11 11	5,924 13 9	6,420 7 9
Pay of Regiments in India	141,212 4 9	199,245 8 4	190,320 12 11	188,206 19 8	179,827 2 3	193,082 6 –
Advances for the service of the Colonies, to be repaid Abroad	15,485 8 2	28,000 – –	11,500 – –	10,073 14 1	42,740 – –	114,625 – –
Passage Money	2,577 7 –	2,096 17 –	597 15 –	1,141 2 3	800 – –	221 – 2
Pay of Officers, &c.	3,282 10 1	2,985 19 3	2,143 12 4	926 9 2	631 12 –	3,383 8 7
Commutation of Half-pay (Purchase of Commissions)	67,447 8 4	45,983 – 9	16,521 11 8	5,047 10 8	8,407 5 10	2,417 6 8
Various Miscellaneous Payments	75,587 17 5	17,936 4 10	27,512 – 1	18,855 3 4	10,901 17 11	1,046 11 4
£.	1,488,713 6 5	1,934,716 5 1	2,227,714 2 –	2,330,258 12 9	2,475,588 5 10	3,132,079 10 9
Credits,—Sums received from other Departments of Government, the East India Company, &c., in repayment of Advances out of Army Extraordinaries	1,482,279 5 4	1,551,160 – 2	1,794,742 7 5	1,863,059 – 7	2,191,054 1 9	2,539,694 13 9 and *460,000 – –
£.	6,434 1 1	383,556 4 11	432,971 14 7	467,199 12 2	284,534 4 1	132,384 17 –

ABSTRACT.

EXCESS of PAYMENTS above RECEIPTS in the following Years.

	£. s. d.
Nine months, to 31st December 1833	6,434 1 1
In the Year 1834	383,556 4 11
„ 1835	432,971 14 7
„ 1836	467,199 12 2
„ 1837	284,534 4 1
„ 1838	132,384 17 –
£.	1,707,080 13 10
Deduct Surplus of Receipts which remained on the 31st March 1833, when the Annual Votes for Extraordinaries ceased	542,581 13 5
£.	1,164,499 – 5

* Proportion of a Vote of Credit for 500,000 *l.*; the remaining 40,000 *l.* given to the Ordnance.

ESTIMATE of the Probable State of the COMMISSARIAT CHEST ACCOUNT at Home and Abroad, on 31st March 1841.

DUE TO THE CHEST.	£. s. d.	£. s. d.
Balances in the Commissariat Chests on 31st March 1841		1,000,000 – –
Specie in transitu on 31 March 1841, viz.:		
From the Cape of Good Hope, shipped by the Commissary there, on board of the "Melville," and received in London in August 1841	20,000 – –	
From Mexico to the various military chests abroad	131,000 – –	
		151,000 – –
Balances due by Public Departments for Advances Abroad beyond the Sums repaid by them, viz.:		
The War Office	420,000 – –	
The Admiralty	100,000 – –	
The Board of Ordnance	300,000 – –	
The Commissariat	100,000 – –	
The Paymaster of Civil Services for Convict Service, New South Wales	222,000 – –	
Liberated Africans	7,200 – –	
Chelsea Hospital	25,000 – –	
		1,174,200 – –
Advances for the East India Company, on account of recruiting for regiments in India, and for other charges on account of the army, beyond the sums repaid by the Company		450,000 – –
Miscellaneous Advances Abroad prior to 31 March 1841, not repaid till after that date, viz.:		
For the salaries and allowances to special magistrates in the late slave Colonies	90,280 18 11	
For expenses of the Indian Department in Upper and Lower Canada, between 1 April 1838 and 31 March 1841	20,297 7 2	
For the ecclesiastical establishments there	8,550 6 3	
For salaries and expenses of the Governor-general in Canada and his Staff, in 1840, beyond the amount repaid from Colonial grants	15,000 – –	
For services at St. Helena, Cape of Good Hope, and in Canada, on account of the Vote for St. Helena Services, for the year ending 31 March 1841	16,175 – 4	
For expenses of a mail boat and lighthouses at the Bahamas	1,715 5 7	
For expense of distributing slave compensation in the Colonies	945 15 3	
For various purposes, sundry smaller issues, about	2,697 6 6	
		155,662 – –
Balance of grant for Canada expenses, 1839–40, and 1840–41, unissued from Exchequer, on 31 March 1841		154,497 – –
	£.	3,085,359 – –

DUE BY THE CHEST.	£. s. d.	£. s. d.
Advance by the Paymaster-general out of Army Grants		1,660,000 – –
Treasury bills accepted prior to 31 March 1841 unpaid on that day, and bills drawn abroad prior to 31 March, but not presented for acceptance till after that date		600,000 – –
Proceeds of Ordnance old stores sold abroad, and lodged in the Chests prior to 31 March 1841, and not repaid till after that date		120,000 – –
Expenses incurred by the Ordnance Department prior to 31 March 1841, in Canada, chargeable on the balance of the grant for Canada expenses, 1839–40, and 1840–41, stated on the other side		112,000 – –
Ditto, in Australia and Van Diemen's Land, to be repaid to the Ordnance		100,000 – –
Miscellaneous Sums paid into the Chests Abroad prior to 31 March 1841, and not repaid till after that date, viz.:		
To the Registrar of the High Court of Admiralty, proceeds of condemned ships	11,551 10 8	
To the Paymaster of Civil Services, viz.:		
Clergy reserve funds in Canada	9,127 17 6	
Value of provisions delivered from convict ships, in 1837, 1838, 1839, and 1840, for the Commissariat	2,635 16 9	
To the Receiver-general of the Post-office, Post-office revenue	5,959 16 –	
To the Receiver-general of the Customs, Customs revenue	1,234 3 10	
To sundry parties, various smaller sums, about	2,490 15 3	
		33,000 – –
		2,625,000 – –
Probable balance, being a surplus of assets, supposing the affairs of the Chest to have been wound up on 31 March 1841		460,359 – –
	£.	3,085,359 – –

Appendix, No. 3.

TREASURY MINUTE, 3 October 1845, directing the preparation of an Account, showing all the SUMS paid into or out of the COMMISSARIAT CHEST in 1846-7, and of the Assets and Liabilities of the Chest at the close of the Year.

MY Lords have under consideration the Return prepared annually by the Audit Board, and laid before Parliament, entitled, "Abstracts of the Accounts of the Commissariat Officers Abroad of the Receipts into and Payments from the several Commissariat Chests."

Independently of certain defects in this Return, to which their Lordships' attention has been called, arising, for the most part, out of the changes which have taken place in the various arrangements connected with this branch of the public service since the plan of the Return was originally framed, the statement which it presents of the transactions of the Commissariat Chests is necessarily incomplete.

The Commissariat Chest Account is one which is constantly kept open between the mother country and the several colonies. The Commissaries abroad act under the direction of the Treasury as bankers for the several public services within their district, and the Paymaster-general acts under the same authority in the receipt and payment of all moneys in this country on account of the Chests abroad; thus the bills drawn abroad for the supply of the Chests are accepted by the Treasury, payable out of the account of the Paymaster-general at the Bank of England, and the greater part of the advances made abroad are repaid at home to the account of the Paymaster-general.

It is obviously impossible, therefore, to prepare a satisfactory account of such transactions from the cash returns of the Commissariat officers alone. It must necessarily embrace the home receipts and payments for the Chest, which pass through the Paymaster-general's books; every transaction must be traced from its first appearance in the accounts of the Commissary until its final settlement in those of the Paymaster-general, and every cash advance which originates in the home account of the Chest kept by the Paymaster-general must in like manner be followed up until its final liquidation through the account of the Commissary abroad.

My Lords are aware that it was the practice, up to the year 1831 inclusive, to submit to Parliament a return of the sums received and paid in this country in each year by the Paymaster-general, on account of the Commissariat Chests, under the title of "Army Extraordinaries," and that an Estimate was founded on this return, and a vote taken for various undefined services; but this return was so imperfect, that it was discontinued, and my Lords directed that the charges formerly covered by the annual vote for Army Extraordinaries should be provided for in the Estimates of the different departments to which they related. The receipts and payments at home connected with the Commissariat Chests have not, therefore, appeared in any accounts laid before Parliament since that year.

The necessity for preparing a general statement showing the employment of the moneys which pass through the Commissariat Chests, and the state of the liabilities of the various departments connected with that account, cannot be more forcibly illustrated than by reviewing the imperfect results obtainable from the books and accounts now kept.

The only accounts in which the balances applicable to the Commissariat Chest Account at the close of each year appear, are—

1. The annual debtor and creditor abstracts prepared by the Audit Board, in which the sums remaining in the Chests abroad at the close of each year are shown.

2. The debtor and creditor account kept in the Paymaster-general's books, in which is recorded the balance of cash applicable to the Commissariat Chest Account at home.

To show how insufficient the results exhibited by these two accounts are, to explain the real state of the Commissariat Chest Account, my Lords select the balances which appeared on them at the following dates:—

On the 31st March 1839 the account in the Paymaster-general's books was in debt 1,631,321 *l.*; and the accounts abroad in credit 1,112,635 *l.*, leaving a net deficiency on the two accounts amounting to 518,686 *l.*

On the 31st March 1844 the account in the Paymaster-general's books was in credit 105,183 *l.*; and the accounts abroad were also in credit, 849,261 *l.*, making together a gross credit of 954,444 *l.*

The difference between the two balances amounts to 1,473,130 *l.*

Notwithstanding this large increase in the balance shown by the Paymaster-general's books, on the 31st March 1844, there is no reason for supposing that any material change has

has taken place in the amount of the general balance of the Commissariat Chest Account since 1839. The increase is owing almost exclusively to the more expeditious settlement in this country of the advances made out of the Chests abroad, which in 1839 was very much in arrear.

These fluctuations serve, however, to show the necessity which exists for some more comprehensive and systematic record of the transactions connected with the receipts and issues of the Commissariat Chest Account, both through the accounts in this country and the colonies. It appears to my Lords that such an account can only be satisfactorily kept in the Audit Office, where the accounts of the Commissaries and of the Paymaster-general are examined.

The course which my Lords are of opinion should be followed in the office of the Commissioners of Audit, with a view to the preparation of a complete account, is to establish a separate set of books, with a double-entry journal and ledger, in which the cash accounts of the Commissaries abroad, abstracted under fixed heads of account, and the receipts and payments for the same service made by the Paymaster-general, should be systematically recorded. Every advance to a public department must be charged against it, from the accounts in which it appears, until repaid; and the ledger should be framed so as to show the balances due to or from the Chest, and the departments or individuals to or from which such balances are due.

My Lords are aware that the present accounts kept at the Audit Office have not been prepared with the object of recording the general balance applicable to the service of the Commissariat Chest, and that this balance can only be gathered from the various accounts and transactions as they are presented for record; but my Lords trust that the settlement of the balances now in arrear may be expedited, so that the net surplus available for carrying on the service of the Commissariat Chest, and with which the first balance sheet to be laid before Parliament should open, may be ascertained with accuracy when that document shall be prepared.

This balance, when correctly ascertained, will be liable to fluctuations in the distribution of it; but the net assets of the chest ought not to be subject to any variation, inasmuch as my Lords have placed on the Estimates of the different departments all the items of receipt and payment which formerly remained finally chargeable on the funds of the Commissariat Chest Account. This account is therefore now confined entirely to transactions which ultimately find a place in the accounts of other branches of the public service.

The return for Parliament, to be prepared from the new set of books, should be one more of results than of details, and should embrace,—

1. A Statement, exhibiting the results of the transactions of the year to which it relates, and showing the services for which the funds of the Commissariat Chest have been employed. If it should be found conducive to clearness to separate the transactions at home from those abroad, this statement may be divided into two accounts current.

2. A Balance Sheet, showing the debts due to and from the Commissariat Chest Account on the last day of the year for which the return is prepared, with such explanations against the several items as may be found necessary to elucidate the account.

Transmit copy of this Minute to the Commissioners of Audit, and desire that they will take the necessary steps for establishing a set of books in their office, in accordance with the preceding directions, for the record of the general transactions of the Commissariat Chest from the 1st April 1846; and desire, moreover, that the returns for the intervening years 1844–45 and 1845–46, may be confined to Abstracts of the Accounts of the Commissaries abroad, prepared upon an amended and uniform classification of the receipts and payments, and omitting the account headed "Analysis of the Commissariat Chest Account."

Transmit copy to the Paymaster-general, and desire that he will furnish the Commissioners of Audit with monthly returns of his receipts and payments on account of the Commissariat Chest, from the 1st April next, in such form as may facilitate the record of them at the Audit Office, in conformity with the directions of this Minute.

Appendix, No. 3.

REPORT from the Commissioners of Audit, dated 15 December 1848, transmitting the Account in question.

In pursuance of your Lordships' Minute of the 3d October 1845, we had the honour to lay before you, on the 27th April 1848, a General Account and Balance Sheet of the Commissariat Chest for the year 1846-47.

As that account, however, was not laid before Parliament during the last Session, as we had anticipated from the tenor of your Lordships' Minute, we have again considered the form in which the account was laid before you, and have referred to the concluding part of your Lordships' Minute, directing its preparation.

It is therein stated, that "the return for Parliament to be prepared from the new set of books should be one more of results than of details, and should embrace,—

"1st. A statement exhibiting the results of the transactions of the year to which it relates, and showing the services for which the funds of the Commissariat Chest have been employed.

"2dly. A balance sheet, showing the debts due to and from the Commissariat Chest Account on the last day of the year for which the return is prepared, with such explanations against the several items as may be found necessary to elucidate the account."

2.

Upon further consideration of your Lordships' wishes thus expressed, we have had the account prepared in an altered form, working out the results by means of two statements, which we now beg leave to lay before your Lordships, to be placed with the former account referred to.

The first is an account showing the cash transactions of the Commissariat Chest between the 1st April 1846 and the 31st March 1847.

Your Lordships will perceive that this account consists of three elements; viz.

1. Money raised within the year, and on the credit side the money which has been paid off within the year, part of which had been raised in previous years.

2. Sums paid into the Chest for deposit, while the credit side will show the amount which has been remitted or paid out during the year.

3. On the credit side, the advances made out of the Chest for carrying on the public service during the year; while on the debit side will appear the amount of those advances which have been repaid by the respective departments.

The services for which the funds of the Commissariat Chest have been employed will be found set forth under each head of the account; and by a comparison of those sums, the amount due to or from the Chest on account of each department of the public service for the year 1846-47, can be ascertained.

The balance of cash in the Chest on the 31st March 1847, at the foot of this account, is 1,315,866 *l.* 16 *s.* 1 ¼ *d.*

The second account is a statement of the assets and liabilities, so far as known, on the 31st March 1847. The balance of 1,245,375 *l.* 6 *s.* 3 ¼ *d.* is not the exact surplus for carrying on the services of the Chest, owing to many unsettled transactions prior to the 1st April 1846; but as they are not large in amount, even in the aggregate, it is expected that as they come in course of settlement, the assets and liabilities will nearly balance each other, and that the balance available will be increased instead of diminished.

Your Lordships will perceive a difference of 393,744 *l.* 0 *s.* 2 *d.* between the balance stated to be available for carrying on the service of the Commissariat Chest in the account sent to your Lordships with our Report of the 27th April 1848, and the account now forwarded.

This arises in consequence of that sum being now included as a liability in the account, being the amount of Chinese Indemnity money received at Hong Kong prior to the 1st April 1846, but which was not paid over to the Consolidated Fund until after the period of the account. It being so large a sum, we have, upon reconsideration, deemed it better to include it, by which the balance is reduced accordingly.

The only further remark which suggests itself to us, is, that in our opinion the large public departments should be required to pay over to the Chest larger sums on account of advances than they do at present; and we would also submit whether your Lordships may not think it expedient that the transfers in repayment should be made monthly instead of quarterly.

We request that we may be favoured with your Lordships' decision hereon, in order that we may give directions for the account of the ensuing year to be prepared accordingly.

We, have, &c.
(signed) *W. L. Herries.*
A. Grant.
Henry Arbuthnot.

To the Right Hon.
the Lords of the Treasury, &c. &c. &c.

TREASURY MINUTE, 29 December 1848, approving of the Account.

Write to the Commissioners of Audit that my Lords have received with much satisfaction the amended account of the transactions of the Commissariat Chest for the year 1846-47, which appears to have been prepared with much care and intelligence, and will, it is hoped, completely answer the important object contemplated by the Minute of this Board, dated 3d October 1845.

EXTRACT from the Treasury Minute, dated the 22d December 1848, for the Government of the Office of Her Majesty's Paymaster-General, prescribing an Arrangement for the more speedy Repayment of the Advances made out of the Commissariat Chests.

"It will be necessary, when this arrangement shall be brought into operation, to issue such directions, in regard to the more speedy recovery of the advances made out of the Commissariat Chests, as will tend to place the Paymaster-general sufficiently in funds for Commissariat Chest purposes, to enable him to comply with the provisions of the amended Warrant, as it is proposed to frame it in future.

"My Lords are aware that the service for which the greater part of the Treasury Bills in question are drawn, is for the payment of the troops abroad, and that the Votes for Army Services ultimately become charged with a large proportion of the moneys raised by such bills. They are also aware that there is a considerable sum at the credit of the Commissariat Chest Account, upon a general balance of all its assets and liabilities. This balance is the result of a running account of the receipts and payments, under the head of 'Army Extraordinaries,' from a very remote date, and it does not exceed the sum indispensably necessary for making the advances for carrying on the various branches of the public service abroad. By an account recently completed by the Commissioners of Audit, in pursuance of directions issued by their Lordships on the 3d October 1845, it appears that on the 31st March 1847, there remained available for carrying on the banking operations of the Commissariat Chest a surplus balance amounting to 1,245,375 *l.* My Lords are satisfied that if proper arrangements are made for regulating the periodical repayments to the Commissariat Chest Account, in the Paymaster-general's books, for advances made abroad, there ought to be no difficulty in carrying on the service with the available balance referred to, without borrowing from the grants for any other service, to meet the current payments. My Lords are strengthened in this opinion by an examination of the account before referred to, by which it is shown that there remained due on the 31st March 1847, to the Commissariat Chest Account by the Naval and Military Departments, beyond the quarterly repayments made by them on account of advances in the year 1846-47, a sum exceeding 1,160,000 *l.* In addition to this sum, there was a further balance due to the Commissariat Chest, at the same date, from various services voted on the Miscellaneous Estimates, exceeding 200,000 *l.*, making a total sum exceeding 1,360,000 *l.* due from voted services. It is clear, therefore, that so far from the Commissariat Chest Account being in debt to the army and other services for the amount apparently advanced out of the Votes for those services, to meet the current payments on account of the Commissariat Chest, those services were, in fact, at that date, considerably in debt to the Commissariat Chest on a balance of the accounts between them.

"With the view of preventing so large an arrear of debt to the Commissariat Chest Account at the close of the year, and of avoiding the consequent necessity of apparently borrowing from other funds to meet the current payments for that account, my Lords are pleased to direct that the several departments, whose agents abroad receive advances from the Commissariat Chest, authorise the Paymaster-general to transfer *monthly*, from their respective votes, to the credit of the Commissariat Chest Account in his books, a sum nearly equal to the estimated advances on account of each. This Estimate should be regulated by the amount of advances made in the last year for which the accounts may be complete, except in cases where a change of circumstances may render it advisable to add to or to diminish that amount. A reserve of 10 per cent. to be paid as a balance on the final adjustment of the account with each department, will be sufficient to meet the ordinary fluctuations of the service.

"Similar transfers should be made on account of advances from the Commissariat Chests abroad for services provided for in the Miscellaneous Estimates; and my Lords desire that the Commissioners of Audit will report to them every quarter the sums which it may be proper to transfer to the credit of the Commissariat Chest Account in the Paymaster-general's books, according to the principle laid down above. These transfers may be confined to the principal services in the Miscellaneous Estimates for which such advances are made."

AN ACCOUNT showing all the SUMS which have been received into the between 1 April 1846

Dr.

	£.	s.	d.	£.	s.	d.
To CASH BALANCE on the 1st April 1846:						
Cash in the hands of the Paymaster-General, and in the several Commissariat Chests abroad on that day				819,549	1	11
1. MONEY RAISED IN THE YEAR 1846-7.						
To CONSIGNMENTS OF SPECIE:						
Amount of Specie received at the several Stations Abroad from England, viz.:						
Shipped prior to 1st April 1846 - - - - - £. 725 – –						
Ditto in the year 1846-7 - - - - - - 507,075 – –						
	507,800	–	–			
To TREASURY BILLS DRAWN:						
Produce of Bills drawn on Her Majesty's Treasury by Commissariat Officers abroad, in the year 1846-7 (less Premium shown below) - - - - -	2,433,250	6	10			
To BILLS ON INDIA:						
Produce of Bills drawn on the Government of India by the Commissariat Officer at Hong Kong, in the year 1846-7 - - - - - - - -	9,024	2	5			
To DEBENTURES ISSUED:						
Amount raised on Debentures by the Commissariat Officer at the Cape of Good Hope, to assist in providing Funds for the Kafir War, in the year 1846-7 -	74,700	8	–			
To TEMPORARY ADVANCES BY COLONIAL BANKS:						
Amount received at the Cape of Good Hope - - - £. 46,484 5 –						
Ditto - - - Van Diemen's Land - - - - 10,000 – –						
	56,484	5	–			
To TEMPORARY ADVANCES FROM COLONIAL FUNDS:						
Amount received at the Cape of Good Hope - - - - £. 5,000 – –						
Ditto - - - New South Wales - - - - 55,000 – –						
Ditto - - - New Zealand - - - - - 2,000 – –						
	62,000	–	–			
				3,143,259	2	3
2. SUMS RECEIVED INTO THE COMMISSARIAT CHEST, FOR REMITTANCE, &c.						
To PREMIUM ON BILLS DRAWN:						
Amount of Premium received in the year 1846-7 on Bills drawn by Commissariat Officers abroad - - - - - - - - - - -	5,852	10	6			
(Similar Receipts will be in future paid over to the Exchequer.)						
To ARMY SERVICES:						
Balances received from Regimental Paymasters, and other receipts in the year 1846-7, to be paid over to the Secretary-at-War - - - - - -	17,185	4	2			
To NAVY SERVICES:						
Proceeds of the Sale of Old Stores, &c., received Abroad in the year 1846-7, to be paid over to the Admiralty - - - - - - - - -	3,991	13	11			
To ORDNANCE SERVICES:						
Rents, Barrack Damages, and other Receipts Abroad, in the Year 1846-7, to be paid over to the Board of Ordnance - - - - - - - - -	56,779	7	6			
Carried forward - - - £.	83,808	16	1	3,962,808	4	2

COMMISSARIAT CHEST, and which have been paid out of the same, and 31 March 1847.

Cr.

			£. s. d.
1. PAYMENTS ON ACCOUNT OF MONEY RAISED.			
BY CONSIGNMENTS OF SPECIE:		£. s. d.	
Payments to the Mint and Bank of England, for Specie sent to Commissariat Stations abroad:			
Shipped prior to 1st April 1846	£. 10,000 – –		
Ditto in the year 1846–7	528.075 – –		
Specie remitted home from various Commissariat Stations abroad in the year 1846–7	12,000 10 –	550,075 10 –	
BY TREASURY BILLS PAID:			
Bills paid by the Paymaster-general in the year 1846–7:			
Drawn prior to 1st April 1846	£. 442,120 19 7		
Drawn in the year 1846–7	1,546,548 4 3	1,988,669 3 10	
BY DEBENTURES PAID OFF:			
Amount paid off by the Commissariat Officer at the Cape of Good Hope in the year 1846–7		23,675 – –	
BY TEMPORARY ADVANCES BY COLONIAL BANKS, REPAID:			
Amount repaid in the year 1846–7 by the Commissariat Officer at the Cape of Good Hope	£. 10,000 – –		
Ditto – – ditto – – Van Diemen's Land	10,000 – –	20,000 – –	
BY TEMPORARY ADVANCES FROM COLONIAL FUNDS, REPAID:			
Amount repaid in the year 1846–7 by the Commissariat Officer at the Cape of Good Hope	£. 5,000 – –		
Ditto – – ditto – – New South Wales	9,723 11 8		
Ditto – – ditto – – New Zealand	2,000 – –	16,723 11 8	
			2,599,143 5 6
2. PAYMENTS ON ACCOUNT OF SUMS RECEIVED INTO THE COMMISSARIAT CHEST, FOR REMITTANCE, &c.			
BY ARMY SERVICES:		£. s. d.	
Amounts paid over to the Secretary-at-War:			
Deposited in the Chest prior to 1st April 1846	£. 10,782 8 8		
Ditto – – in the year 1846–7	10,101 12 4	20,884 1 –	
BY NAVY SERVICES:			
Amounts paid over to the Admiralty:			
Deposited in the Chest prior to 1st April 1846	£. 4,825 3 11		
Ditto – – in the year 1846–7	29 10 –	4,854 13 11	
BY ORDNANCE SERVICES:			
Amount paid over to the Board of Ordnance on account of Sums deposited in the Chest prior to 1st April 1846		103,000 11 9	
	Carried forward £.	128,739 6 8	2,599,143 5 6

Dr. AN ACCOUNT showing all the Sums which have been received into the COMMISSARIAT CHEST,

	£. s. d.	£. s. d.
Brought forward - - -	83,808 16 1	3,962,808 4 2
2. SUMS RECEIVED INTO THE COMMISSARIAT CHEST, FOR REMITTANCE, &c.—*continued.*		
To REVENUE DEPARTMENTS:		
Revenue received abroad, and paid into the Commissariat Chest, in the year 1846-7, for Remittance:		
To the Receiver-general of Customs - - - - £. 1,741 18 –		
To the Receiver-general of the Post Office - - - 33,175 15 4		
	34,917 13 4	
To COLONIAL GOVERNMENTS:		
Sums received from the following Colonial Governments in the year 1846-7, for payment to their respective Agents in England; viz.		
Ceylon - - - - - - - - - - £. 65,761 17 6		
Gibraltar - - - - - - - - - - 1,737 17 2		
Malta - - - - - - - - - - - 1,850 – –		
Mauritius - - - - - - - - - - 22,000 – –		
Sierra Leone - - - - - - - - - 9 2 –		
New South Wales - - - - - - - - 23,356 8 1		
South Australia - - - - - - - - 73,903 – –		
	188,618 4 9	
To CONTRIBUTIONS FROM COLONIAL FUNDS FOR MILITARY PROTECTION:		
Amounts received from the following Colonial Governments, in the year 1846-7, towards defraying Military Expenditure; viz.		
Ceylon - - - - - - - - - - £. 24,000 – –		
Ionian Islands - - - - - - - - - 17,596 3 6		
Malta - - - - - - - - - - - 6,200 – –		
	47,796 3 6	
To CAPTURED SLAVE VESSELS:		
Proceeds of the sale of Slave Vessels condemned in Vice-admiralty and Mixed Commission Courts, received abroad in 1846-7, to be paid over to the Registrar of the High Court of Admiralty - - - - - - - -	1,258 7 7	
To CHINESE INDEMNITY MONEY:		
Amount received by the Commissariat Officer at Hong Kong, out of the Chinese Indemnity Money, in the year 1846-7, to be paid over to the Consolidated Fund - - - - - - - - - - - - - -	126,705 13 11	
To FREIGHT OF SYCEE SILVER:		
Amount received by the Paymaster-general, in the year 1846-7, out of the proceeds of the Sycee Silver, on account of the freight due to Officers of the Royal Navy - - - - - - - - - - - - - -	7,517 2 5	
To VARIOUS SMALL DEPOSITS IN THE CHEST FOR REMITTANCE, &c. - - -	599 17 7	
		491,221 19 2
Carried forward - - - £.		4,454,030 3 4

and which have been paid out of the same between 1 April 1846 and 31 March 1847—*continued.* *Cr.*

	£. s. d.	£. s. d.
Brought forward - - -	128,739 6 8	2,599,143 5 6
2. PAYMENTS ON ACCOUNT OF SUMS RECEIVED INTO THE COMMISSARIAT CHEST, FOR REMITTANCE, &c.—*continued.*		
By Revenue Departments:		
Amounts paid over to the Receiver-general of Customs:		
Deposited in the Chest prior to 1 April 1846 - - £.913 7 9		
Ditto - - ditto - - in the year 1846–7 - - - 299 15 2	1,213 2 11	
Amounts paid over to the Receiver-general of the Post Office:		
Deposited in the Chest prior to 1 April 1846 - - £.9,444 – 4		
Ditto - - ditto - - in the year 1846–7 - - - 20,471 13 10	29,915 14 2	
By Colonial Governments:		
Sums paid in England to the Agents of the following Colonies:		
Ceylon - Deposited in the Chest prior to 1 April 1846 - £.18,214 16 11		
Ditto - - - - - ditto - - in the year 1846–7 - 47,350 7 10		
Gibraltar - - - ditto - - - ditto - - - 1,737 17 2		
Malta - - - - ditto - - - ditto - - - 1,850 – –		
Sierra Leone - - ditto - - - ditto - - - 9 2 –		
New South Wales - ditto - - prior to 1 April 1846 - 7,720 16 –		
Ditto - - - - - ditto - - in the year 1846–7 - 2,709 6 –		
South Australia - ditto - - prior to 1 April 1846 - 600 – –		
Ditto - - - - - ditto - - in the year 1846–7 - 1,501 10 –	81,693 15 11	
By Contributions from Colonial Funds for Military Protection:		
Amounts paid over to the Secretary-at-War, and Board of Ordnance, on account of the Sums received towards defraying the Military Expenditure incurred by those departments, in the following Colonies:		
Ceylon - Deposited in the Chest prior to 1 April 1846 - £.24,000 – –		
Ionian Islands - - ditto - - - ditto - - - 5,884 16 3		
Ditto - - - - - ditto - - in the year 1846–7 - 3,420 2 8	33,304 18 11	
By Captured Slave Vessels:		
Amounts paid over to the Registrar of the High Court of Admiralty, on account of the proceeds of the sale of Condemned Slave Vessels:		
Deposited in the Chest prior to 1 April 1846 - - £.2,536 9 6		
Ditto - - ditto - - in the year 1846–7 - - - 1,204 10 1	3,740 19 7	
By Freight of Sycee Silver:		
Amount paid to Officers of the Royal Navy, under Admiralty directions -	6,517 2 5	
By various small Repayments:		
Deposited in the Chest prior to 1 April 1846 - - - £.236 6 8		
Ditto - - ditto - - in the year 1846–7 - - - 656 6 6	892 13 2	
		286,017 13 9
Carried forward - - £.		2,885,160 19 3

Dr. AN ACCOUNT showing all the Sums which have been received into the COMMISSARIAT CHEST,

	£. s. d.	£. s. d.
Brought forward - - -		4,454,030 3 4
3. SUMS RECEIVED IN REPAYMENT OF ADVANCES FROM THE COMMISSARIAT CHEST.		
To SUMS RECEIVED OUT OF THE VOTES OF PARLIAMENT, in repayment of ADVANCES for the following Services; viz.		
	For Advances prior to 1 April 1846.	For Advances in the Year 1846-7.
To ARMY:	£. s. d.	£. s. d.
Effective Services - - - -	373,652 16 11	660,011 5 –
Chelsea Out Pensions - - -	54,920 12 2	19,957 3 8
Commuted Pensions - - -	31,704 4 7	2,768 3 9
Other Non-effective Services - -	11,420 12 7	9,511 11 2
	471,698 6 3	692,248 3 7
To NAVY:		
Effective Services - - - -	171,176 14 9	200,251 7 7
Greenwich Out Pensions - - -	1,179 19 7	905 19 11
Other Non-effective Services - -	7,215 8 11	4,647 10 5
	179,572 3 3	205,804 17 11
To ORDNANCE:		
Effective Services - - - -	283,724 2 11	334,318 9 –
Non-effective Services - - -	2,327 7 9	3,121 12 11
	286,051 10 8	337,440 1 11
To COMMISSARIAT:		
Effective Services - - - -	35,640 18 6	320,000 – –
Non-effective Services - - -	3,952 2 3	4,487 9 8
	39,593 – 9	324,487 9 8
To MISCELLANEOUS (Civil Establishments, &c.):		
Lighthouses, Bahamas - - -	949 12 4	
Western Coast of Africa - - -	945 – –	
St. Helena; Establishment - -	2,146 3 9	
Western Australia - - - -	22,003 6 10	
New Zealand - - - - -	9,304 16 3	
Clergy, North America - - -	6,856 14 8	
Indian Department, Canada - -	6,310 4 –	
Stipendiary Justices - - -	89,539 – 10	
Liberated Africans - - - -	24,080 17 5	
Hong Kong - - - - -	148,149 6 8	
Emigration, Canada - - -	- - -	5,000 – –
	310,285 2 9	5,000 – –
Convict Services - - - - -	56,235 13 2	160,000 – –
Militia and Volunteers, Canada -	30,763 15 5	2,436 4 7
Relief of Distress in Ireland and Scotland:		
Votes, Sales of Food, &c. - -	19,475 10 4	795,673 18 9
Extraordinary Staff of the Board of Works, &c. - - - -	- - -	210,051 16 10
Magnetic Observatories in Canada, at the Cape of Good Hope, &c. -	864 3 7	- - -
Military Secretary to the Governor-general, Canada - - - -	1,359 3 –	- - -
Expedition for exploring Central Australia - - - - - -	1,900 – –	- - -
Relief of Sufferers by Fire at Quebec	19,136 6 8	878 15 7
Ditto, at St. John's, Newfoundland	- - -	56,353 18 3
TOTAL SUMS repaid out of Votes - £.	1,416,934 15 10	2,790,375 7 1
Carried forward - - - £.		4,207,310 2 11 4,454,030 3 4

and which have been paid out of the same, between 1 April 1846 and 31 March 1847—*continued.* *Cr.*

	£. s. d.	£. s. d.
Brought forward - - £.	- - -	2,885,160 19 3
3. ADVANCES FROM THE COMMISSARIAT CHEST, TO BE REPAID:		
By Advances in the year 1846-7 to be repaid out of the Votes of Parliament, for the following Services; viz.		
By Army:		
Effective Services - - - - - - £. 1,054,903 4 10		
Chelsea Out-Pensions - - - - - - - 57,924 16 11		
Commuted Pensions - - - - - - - - 7,150 17 3		
Other Non-effective Services - - - - - 19,215 9 4		
	1,139,194 8 4	
By Navy:		
Effective Services - - - - - - - 331,870 15 9		
Greenwich Out-Pensions - - - - - - 1,919 3 11		
Other Non-effective Services - - - - - 10,540 16 2		
	344,330 15 10	
By Ordnance:		
Effective Services - - - - - - - 581,344 17 4		
Non-effective Services - - - - - - - 4,487 14 5		
	585,832 11 9	
By Commissariat:		
Effective Services - - - - - - - 671,152 6 1		
Non-effective Services - - - - - - 7,403 6 2		
	678,555 12 3	
By Kafir War:		
Extraordinary Expenses - - - - - - - - -	254,033 - 3	
By Miscellaneous (Civil Establishments, &c.):		
Lighthouses, Bahamas - - - - - - 622 14 1		
Western Coast of Africa - - - - - - 1,995 - -		
St. Helena, Establishment - - - - - - 6,657 9 11		
Ditto, Pensions - - - - - - - 692 5 11		
Western Australia - - - - - - - 7,311 12 6		
Falkland Islands - - - - - - - 2,000 - -		
New Zealand - - - - - - - - 10,174 15 10		
Clergy, North America - - - - - - 6,740 13 2		
Indian Department, Canada - - - - - 5,499 17 4		
Stipendiary Justices - - - - - - - 38,027 11 4		
Liberated Africans - - - - - - - 9,148 15 1		
Hong Kong - - - - - - - - 53,528 12 1		
	142,399 7 3	
Convict Services - - - - - - - - - - -	221,733 2 11	
Militia and Volunteers, Canada - - - - - - - -	15,600 3 3	
Relief of Distress in Ireland and Scotland:		
Temporary Advances for Purchases of Food, for Freight, &c. - -	813,130 4 7	
Ditto - - - - for Extraordinary Staff of the Board of Works, &c.	191,784 3 10	
Ditto - - - - for the Relief Commission - - - -	7,500 - -	
Ditto - - - - for Grants in aid of Poor-law Unions - -	2,331 8 10	
Ditto - - - - for the Fisheries in Scotland - - - -	1,501 - 8	
Magnetic Observatories in Canada, at the Cape of Good Hope, &c. - -	185 6 1	
Relief of Sufferers by Fire at Quebec - - - - - - - -	878 15 7	
Ditto - - - - at St. John's, Newfoundland - - - -	27,453 6 8	
Carried forward - - - £.	4,426,443 8 4	2,885,160 19 3

Dr. AN ACCOUNT showing all the Sums which have been received into the COMMISSARIAT CHEST,

	£.	s.	d.	£.	s.	d.
Brought forward - - - £.	4,207,310	2	11	4,454,030	3	4
3. SUMS RECEIVED IN REPAYMENT OF ADVANCES FROM THE COMMISSARIAT CHEST—*continued.*						
To SUMS RECEIVED OUT OF THE CONSOLIDATED FUND:						
In repayment of Advances for Slave Compensation under the Act 3 & 4 Will. 4, c. 73; viz.						
Advanced prior to 1 April 1846 - - - - - £.	676	9	4			
Ditto, in the year 1846–7 - - - - - -	174	7	–			
	850	16	4			
To SUMS RECEIVED FROM REVENUE DEPARTMENTS:						
From the Customs:						
In repayment of Advances for Pensions prior to 1 April 1846 - - - - - - - - - - £.	229	14	4			
Ditto, in the year 1846–7 - - - - - -	161	9	4			
	391	3	8			
From the Excise:						
In repayment of Advances for Pensions prior to 1 April 1846 - - - - - - - - - - - £.	150	15	2			
Ditto, in the year 1846–7 - - - - - -	148	16	–			
	299	11	2			
To SUMS RECEIVED OUT OF COLONIAL FUNDS:						
In repayment of Advances on Account of the following Colonies; viz.						

	For Advances prior to 1 April 1846.			For Advances in 1846–7.		
	£.	s.	d.	£.	s.	d.
Canada - - - - - - -	44	15	10	706	16	1
Mauritius - - - - - -	3,959	14	7	16,036	17	6
New South Wales - - - -	380	19	–	1,012	13	4
West Indies (Coolie Emigration) - -	4,916	12	4	16,320	10	10
£.	9,302	1	9	34,076	17	9

	43,378	19	6
To SUMS RECEIVED FROM THE FRENCH GOVERNMENT:			
In repayment of Advances in New South Wales to a French Ship of War, prior to 1 April 1846 - - - - - - - - - - - - -	6,635	16	11
To SUMS RECEIVED FROM THE EAST INDIA COMPANY:			
In repayment of Advances abroad for the Service of the Company, prior to 1 April 1846 - - - - - - - £.	19,626	13	11
Ditto, in the year 1846–7 - - - - - - -	10,174	11	–
	29,801	4	11
To SUMS RECEIVED FROM THE BRITISH RELIEF ASSOCIATION:			
In repayment of Advances in 1846–7, on account of the Association connected with the relief of distress in Ireland - - - - - - - - - -	988	4	8
To SUMS RECEIVED FROM THE MASTER OF THE MINT:			
In repayment of Expenses incurred at Hong Kong, prior to 1 April 1846, in the shipment of the Chinese Indemnity Money - - - - - - - - - - - - £.	438	1	5
In repayment of an Advance on account of Freight of Sycee Silver - - - - - - - - - - - -	4,011	7	5
	4,449	8	10
To SUMS RECEIVED IN REPAYMENT OF VARIOUS SMALL ADVANCES made prior to 1 April 1846 - - - - - - - £.	1,119	5	8
Ditto, in the year 1846–7 - - - - - - - -	366	2	5
	1,485	8	1
			4,295,590 17 –
£.			8,749,621 – 4

Audit Office,
15 December 1848.

and which have been paid out of the same, between 1 April 1846 and 31 March 1847—*continued.* *Cr.*

	£.	s.	d.	£.	s.	d.
Brought forward	4,426,443	8	1	2,885,160	19	3
3.—ADVANCES FROM THE COMMISSARIAT CHEST, TO BE REPAID—*continued.*						
By Advances to be repaid out of the Consolidated Fund:						
Payments in the year 1846–7, for Slave Compensation, under the Act 3 & 4 Will. 4, c. 73	296	11	4			
By Advances to be Repaid by Revenue Departments:						
Pensions paid Abroad in 1846–7, on Account of the Customs	572	16	7			
Ditto ditto Excise	270	–	8			
By Advances to be Repaid out of Colonial Funds:						
Advances in 1846–7 on Account of the following Colonies:						
Canada £. 706 16 1						
Canada and Nova Scotia (Railway Survey) 4,500 – –						
Cape of Good of Hope 373 – 11						
Ceylon 36 4 11						
Mauritius 24,183 1 5						
New South Wales 1,012 13 4						
New Zealand 2,000 – –						
Van Diemen's Land 1,834 5 –						
West Indies (Coolie Emigration) 23,309 14 8						
	57,955	16	4			
By Advances in New South Wales to a French Ship of War, in the year 1846–7, repayable by the French Government	4,472	5	7			
By Advances on Account of the East India Company:						
Pensions paid in 1846–7, chargeable on the Military Fund of the Company, and for Advances in New South Wales, Van Diemen's Land, at the Cape of Good Hope, &c., to be repaid by the Company	50,689	11	6			
By Advances on account of the British Relief Association, connected with the Relief of Distress in Ireland	6,405	6	6			
By Various Small Advances, to be repaid	1,487	8	5			
				4,548,593	5	–
			£.	7,433,754	4	3
By Cash Balance on the 31st March 1847, as explained in the Statement at page 606			£.	1,315,866	16	1
			£.	8,749,621	–	4

By Order of the Board,
R. M. Bromley, Secretary.

AN ACCOUNT showing the LIABILITIES and ASSETS

Dr. LIABILITIES.

	£.	s.	d.	£.	s.	d.
TO THE MASTER OF THE MINT:						
Specie consigned to Commissiariat Officers abroad	4,000	–	–			
TO TREASURY BILLS:						
Amount of outstanding Bills negotiated by Commissariat Officers abroad, on or before the 31st March 1847	886,702	2	7			
TO BILLS ON INDIA:						
Amount of outstanding Bills drawn on the Government of India by the Commissariat Officer at Hong Kong	9,024	2	5			
TO OUTSTANDING DEBENTURES:						
Outstanding Debentures issued by the Commissariat Officer at the Cape of Good Hope, for providing funds for the Kafir War	51,025	8	–			
TO COLONIAL BANKS:						
Temporary Advances outstanding on the 31st March 1847	36,484	5	–			
TO COLONIAL GOVERNMENTS:						
Temporary Advances outstanding on the 31st March 1847	45,276	8	4			
				1,032,512	6	4
TO SUMS RECEIVED INTO THE COMMISSARIAT CHESTS, FOR REMITTANCE, &c. on or prior to the 31st March 1847; viz.						
Due to —						
Commisssriat Estimates for 1848–9 — Premium on the negotiation of Treasury Bills in 1846–7	5,852	10	6			
Secretary at War — Regimental Balances, &c.	7,083	11	10			
Admiralty — Old Stores, &c. sold	3,962	3	11			
Board of Ordnance — Rents, Barrack Damages, &c.	56,779	7	6			
Customs — Revenue paid in abroad, for remittance to England	1,442	2	10			
Post-office — ditto	12,704	1	6			
Colonial Governments — Sums received, and not paid over to their Agents	133,460	1	8			
Secretary at War and Board of Ordnance — Contributions for Military Protection	44,376	–	10			
Registrar of the High Court of Admiralty — Proceeds of the Sale of Slave Vessels	53	17	6			
Various persons at St. John's, Newfoundland — Balance of Vote and Subscriptions not distributed	28,900	11	7			
Her Majesty's Exchequer — Chinese Indemnity Money, paid to the Commissariat Officer at Hong Kong	520,449	14	1			
Certain Officers of Her Majesty's Ships — Freight of Sycee Silver awaiting directions for distribution	1,000	–	–			
Board of Works in Ireland — Balance of Vote for Extraordinary Staff	18,267	13	–			
Emigration Vote — Sum received remaining unapplied	5,000	–	–			
Various Small Deposits	428	6	1			
				839,760	2	10
TOTAL LIABILITIES			£.	1,872,272	9	2
TO BALANCE, being the SURPLUS of ASSETS available for carrying on the Service of the Commissariat Chest, on the 31st of March 1847				1,245,375	6	3
			£.	3,117,647	15	5

Audit Office, 15 December 1848.

of the COMMISSARIAT CHEST, on 31 March 1847.

ASSETS. *Cr.*

	£. s. d.	£. s. d.
BY CASH due by Officers acting as Paymasters for the Commissariat Chest:		
Balances due by the Paymaster-general and by the several Commissariat Officers at Stations Abroad, &c., on the 31st March 1847, as shown at the foot of the general Cash Account for the Year 1846-7, at page 603, and detailed in the Explanatory Statement of Cash Balances at page 606	- - -	1,315,866 16 1
BY SPECIE IN TRANSIT:		
Specie consigned to Commissariat Officers Abroad, which was on its passage to Foreign Stations on the 31st March 1847 - - - - - -	- - -	37,000 10 -
BY ADVANCES from the Commissariat Chest prior to 31st March 1847; viz.		
Due from VOTES OF PARLIAMENT for the following Services:		
ARMY - - Effective Services - - - £. 394,891 19 10		
Chelsea Out-pensions - - - 37,967 13 3		
Commuted Pensions - - - 4,382 13 6		
Other Non-effective Services - - 9,703 18 2	446,946 4 9	
NAVY - - Effective Services - - - - 131,619 8 2		
Greenwich Out-pensions - - - 1,013 4 -		
Other Non-effective Services - - 5,893 5 9	138,525 17 11	
ORDNANCE - Effective Services - - - - 247,026 8 4		
Non-effective ditto - - - - 1,366 1 6	248,392 9 10	
COMMISSARIAT Effective Services - - - - 351,152 6 1		
Non-effective ditto - - - - 2,915 16 6	354,068 2 7	
KAFIR WAR:—Extraordinary Expenses - - - - - -	254,033 - 3	
MISCELLANEOUS ESTIMATES:		
Civil Establishments, &c. - - - - - 142,399 7 3		
Convict Services - - - - - - 61,733 2 11		
Militia and Volunteers, Canada - - - 13,163 18 8		
Relief of Distress in Ireland and Scotland, through the Commissariat Department - - - 17,456 5 10		
Ditto, Relief Commission - - - - - 7,500 - -		
Ditto, Grants to Poor-law Unions - - - 2,331 8 10		
Ditto, Fisheries in Scotland - - - - 1,501 - 8		
Magnetic Observatories - - - - - 185 6 1	246,270 10 3	
£.	1,688,236 5 7	
Due from the CONSOLIDATED FUND:—Advances for Slave Compensations, under the Act 3 & 4 Will. 4, c. 73 - - - - - - - -	122 4 4	
Due from REVENUE DEPARTMENTS:		
Advances on account of the Customs - - - - - -	411 7 3	
Ditto - - - - Excise - - - - - - -	121 4 8	
Due from COLONIAL FUNDS:		
Advances on account of various Colonies - - - - - -	12,389 14 9	
Ditto - - - West Indies, for Coolie Emigration - -	6,989 3 10	
Ditto - - - Canada and Nova Scotia, for the Railway Survey - - - - - - - -	4,500 - -	
Due by the FRENCH GOVERNMENT:—Advance on account of Supplies to a French Ship of War - - - - - - - - - -	4,472 5 7	
Due by the EAST INDIA COMPANY:—Advances for Pensions and various Services chargeable to the Company - - - - - - -	40,515 - 6	
Due by the BRITISH RELIEF ASSOCIATION:—Advances for relief of Distress in Ireland - - - - - - - - - - - -	5,417 1 10	
Due by VARIOUS PARTIES:—Various small Advances - - - -	1,606 1 -	1,764,780 9 4
	£.	3,117,647 15 5

By Order of the Board,

R. M. Bromley, Secretary.

EXPLANATORY STATEMENT of the CASH BALANCE on 31 March 1847.

	Number of Chests at each Station among which the Balance is divided.	Cash in the Chests.	Add Money in Transit.	TOTAL.	Deduct Outstanding Remittances, to which the foregoing Cash Balances are liable.	Net Balance, as shown in the foregoing Account, page 603.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Her Majesty's Paymaster-General	1	520,021 12 7	- - -	520,021 12 7	45 1 3	519,976 11 4
The Commissary at Bahamas	1	4,570 17 10	- - -	4,570 17 10	- - -	4,570 17 10
Ditto - - Bermuda	2	5,034 17 2	- - -	5,034 17 2	- - -	5,034 17 2
Ditto - - Canada	13	85,654 13 4	- - -	85,654 13 4	1,938 3 3	83,716 10 1
Ditto - - Cape of Good Hope	7	56,872 6 9	- - -	56,872 6 9	47,235 4 7	9,637 2 2
The Deputy Paymaster-General at Ceylon	1	3,328 18 7½	- - -	3,328 18 7½	- - -	3,328 18 7½
The Commissary at Fort Garry	1	5,209 18 5	- - -	5,209 18 5	- - -	5,209 18 5
Ditto - - Gambia	2	4,663 9 3	- - -	4,663 9 3	- - -	4,663 9 3
Ditto - - Gibraltar	1	8,269 2 4	- - -	8,269 2 4	- - -	8,269 2 4
Ditto - - Gold Coast	1	2,314 6 4	- - -	2,314 6 4	- - -	2,314 6 4
Ditto - - Honduras	1	4,173 6 2	- - -	4,173 6 2	- - -	4,173 6 2
Ditto - - Hong Kong	1	72,909 19 9	- - -	72,909 19 9	- - -	72,909 19 9
Ditto - - Ionian Islands	6	10,006 5 2¾	55 5 7	10,061 10 9¾	- - -	10,061 10 9¾
Ditto - - Ireland, Commissariat Service	1	383 - -	- - -	383 - -	- - -	383 - -
Ditto - - Ireland, Relief Service	10	44,002 6 -½	1,842 10 10	45,844 16 10½	- - -	45,844 16 10½
Ditto - - Jamaica	2	18,585 9 3½	35 - -	18,620 9 3½	- - -	18,620 9 3½
Ditto - - Malta	1	9,428 7 9	- - -	9,428 7 9	- - -	9,428 7 9
Ditto - - Mauritius	2	25,517 10 2	- - -	25,517 10 2	- - -	25,517 10 2
Ditto - - Newfoundland	1	10,721 13 3	- - -	10,721 13 3	- - -	10,721 13 3
Ditto - - New South Wales	1	137,121 1 2	- - -	137,121 1 2	153 19 9	136,967 1 5
Ditto - - New Zealand	3	31,510 15 -	1,896 4 5	33,406 19 5	72 10 5	33,334 9 -
Ditto - - North Australia	1	2,570 5 4	- - -	2,570 5 4	283 10 3	2,286 15 1
Ditto - - Nova Scotia	5	23,032 9 7	- - -	23,032 9 7	319 13 4	22,712 16 3
Ditto - - St. Helena	1	9,293 17 11	- - -	9,293 17 11	- - -	9,293 17 11
Ditto - - Scotland, Relief Service	3	1,089 2 9	2,050 - -	3,139 2 9	75 - -	3,064 2 9
Ditto - - Sierra Leone	1	2,194 6 6	- - -	2,194 6 6	66 19 9	2,127 6 9
Ditto - - South Australia	1	1,336 4 8½	4,150 - -	5,486 4 8½	- - -	5,486 4 8½
Ditto - - Van Diemen's Land	2	148,307 3 -	62 4 6	148,369 7 6	- - -	148,369 7 6
Ditto - - Western Australia	2	1,122 12 8	- - -	1,122 12 8	- - -	1,122 12 8
Ditto - - West Indies	11	104,123 6 1½	- - -	104,123 6 1½	2 8 -	104,120 18 1½
Deputy Assistant Commissary-general Major	- -	390 10 9¾	- - -	390 10 9¾	- - -	390 10 9¾
Deputy Assistant Commissary-general Ross	- -	2,208 5 6	- - -	2,208 5 6	- - -	2,208 5 6
TOTAL	86	1,355,968 1 4	10,091 5 4	1,366,059 6 8	50,192 10 7	1,315,866 16 1

Audit Office,
15 December 1848.

R. M. Bromley,
Secretary.

THE Cash Balance at the credit of the Commissariat Chest Account in the books of the Paymaster-general, is applicable to the payment of outstanding Treasury Bills, and other liabilities of the Chest, to be paid in this country. This balance is subject to considerable fluctuations, and the amount was unusually great on the 31st March 1847, owing to the large amount of liabilities, as shown at page 604, which remained unliquidated at that date.

According to the 185th article of the Commissariat Regulations, the balance in the Chest at each station abroad is not to exceed the sum required for two months' expenditure, unless some peculiar circumstances render it necessary that a larger reserve should be kept up, in which case the Commissariat officer in charge is required to report to the Treasury Board the grounds of such necessity.

With regard to Canada, the balance in the Chest on the 31st March 1847, although large, was less than the average expenditure for two months; and the balance at Hong Kong, where the supplies of money are chiefly derived from the East Indies, was below the average expenditure for three months.

In

In New South Wales and Van Diemen's Land great difficulty has been experienced from time to time in raising the requisite supplies of specie, and a discretionary authority (which has since been considerably modified) was given to the Commissariat officers in charge at those stations to extend their respective balances to an amount sufficient to meet the expenditure for a period of from four to six months, if they should find it expedient to do so. The Commissariat Chest in New South Wales is necessarily kept up beyond the amount required for that colony, to enable the Commissariat officer to assist the Commissariat in New Zealand, where the expenditure is to a large amount, and very little money can be obtained by negotiations on the spot.

The balance in the West Indies is distributed between 11 detached stations. There has always been a difficulty in raising money for the supply of the Commissariat Chests in the West Indies, which has rendered it necessary to keep in reserve a larger balance than is ordinarily allowed elsewhere.

MEMORANDUM on the COMMISSARIAT CHEST FUND, which formed part of the Evidence of Sir *C. Trevelyan* before the Select Committee on Army and Ordnance Expenditure, 1850 (Q. 6266.)

THE Commissariat Chest Fund has its origin in the vote which was formerly taken every year for Army Extraordinaries. The practice was to provide for the pay of the troops in the Army Estimate, and for the pay of the Commissariat in the Commissariat Estimate, and to include the staff pay, allowances, recruiting expenses for regiments in India, commissariat supplies, and a variety of colonial and other civil services, in the vote for Army Extraordinaries. Any unprovided army or commissariat service was likewise charged to Army Extraordinaries.

The issues out of Army Extraordinaries were made by the Paymaster-general of the Forces at home, and the Commissariat officers abroad, under the direct authority or control of the Treasury; and the sums required for this service abroad were chiefly raised by bills drawn by the Commissariat officers on the Treasury, which were accepted payable by the Paymaster-general of the Forces.

Besides the final payments made out of Army Extraordinaries, advances were made abroad out of this fund for carrying on services voted in the Army, Navy, Ordnance, and Miscellaneous Estimates, which advances were repaid from the respective grants in this country.

The annual vote for Army Extraordinaries was taken on a rough estimate of the probable wants of the ensuing year, calculated with reference to the payments at the Army Pay Office (including the commissariat bills drawn from abroad) during the past year.

The last vote for Army Extraordinaries was taken for five quarters up to the 31st of March 1833, and arrangements were afterwards made for distributing the various services formerly provided for in it, among the estimates of the departments to which they properly belonged. This object, however, was only gradually accomplished, and in the meantime numerous payments continued to be made from the commissariat chests without any vote being taken for them.

Two accounts were annually laid before Parliament in connexion with this fund: one, of the receipts and payments of the Paymaster-general of the Forces, and the other, of the receipts and payments of the Commissariat officers abroad during the preceding year, and the balances in their chests at the end of it; but as neither account contained any notice of the sums due to the chest on account of the advances which had been made to the different departments, it was impossible to ascertain from them the real state of the fund.

About the year 1840 the home side of the account in the Paymaster-general's books showed a large deficit, which, according to established practice, was met by applying sums voted for army services to pay the bills drawn upon the Treasury by the Commissariat officers abroad, and the repayments made by the departments were carried to the credit of the army grant in reduction of these advances. The "Army Extraordinaries" Fund was therefore constantly indebted to the army grants in a fluctuating balance, which reached in 1839 the sum of two millions, and there was every appearance of the fund being hopelessly bankrupt, and of its becoming necessary to apply to Parliament for a vote of credit of at least a million, to be employed in cashing the commissariat bills, and to prevent the grants of Parliament from being appropriated in a manner not authorized by Parliament.

Nevertheless, on a closer scrutiny, there was reason to hope that, notwithstanding the exhausting process above described as having taken place for many years subsequently to 1832, the account would show a more satisfactory result if it were properly made up. The sums voted in former years for Army Extraordinaries, on an unbalanced account running on during a long series of years, were for a very large amount. For instance, the sums voted in the three following years were as follows:—

	£.	s.	d.
1813 - - - - -	14,162,797	2	–
1814 - - - - -	15,350,132	4	10
1815 - - - -	23,983,435	0	3
Making altogether - - -	£. 53,496,364	16	1

besides votes of credit in the same years amounting to 15,351,056 *l.*

Appendix, No. 3.

Large sums were also for many years, owing to the imperfect manner in which the public accounts were then kept, voted twice over for the same services, in the estimates of different departments, and the surplus remained to the credit of Army Extraordinaries; and lastly, no effectual measures had yet been taken to secure the punctual repayment of the large sums which had been advanced for the service of other departments.

The successive steps which have been taken to place this account on a regular and correct footing have been as follows:—

1. All expenses incurred in ordinary times in connexion with the different departments of the army were directed to be provided for in the estimates of the departments to which they properly belonged, and when incurred without the previous sanction, but with the subsequent approval, of the Treasury, they are charged to the grant in which they would have been included if they had been voted, and are reported to Parliament in the next estimate.

Treasury Minute, 27 November 1840.

2. The cases were defined in which it might still be necessary to take a vote of the nature of Army Extraordinaries; and it was laid down that the estimate in these exceptive cases should be prepared under the direction of the Treasury, and that a special account of the expenditure should be laid before Parliament.

Treasury Minutes, 4 December 1840; 13 November 1849; 27 March and 2 November 1849.

3. Regulations were issued for bringing under control, expenditure incurred without the previous authority of Parliament, in works of defence, the payment, clothing, and provisioning of new levies, and other services arising out of unforeseen exigencies.

Treasury Minute, 27 November 1840.

4. The fund previously known by the name of "Army Extraordinaries" was directed to be called the "Commissariat Chest Fund;" and it was distinctly laid down that it was, for the future, to be used merely as a banking fund for the purpose of making the necessary advances from the commissariat chests for carrying on the services connected with this country abroad, and settling, by a transfer in account, without any actual remittance, a great variety of transactions continually in progress between the mother-country and its dependencies. This arrangement was confirmed by the Royal warrant, dated 16th of June 1849, regulating the application of the funds of the commissariat chest account.

Treasury Minute, 22 December 1848; par. 62.

5. The aggregate balance in the commissariat chests abroad was reduced, by carefully adjusting the supplies of cash to the exigencies of the service at the different stations, from an average of 1,350,000 *l.* to an average of 470,000 *l.*

Various Treasury Minutes, the substance of which was afterwards embodied in the 174th Article of the Commissariat Regulations.

6. Arrangements were made with all the different departments on whose account advances are made from the commissariat chests abroad, for the more speedy repayment of those advances.

Treasury Minutes, 20 December 1839; 24 June 1844; 22 October 1844; and 22 December 1848, par. 58.

7. An annual account was directed to be prepared at the Audit Office, showing:—

Treasury Minute, October 1845.

1. The sums advanced from and repaid to the commissariat chest during the year; and

2. The sums due to or by the commissariat chest on the last day of the same year.

And by the Royal warrant dated 16 June 1849, this account, made up to the 31st March in each year, was directed to be laid before Parliament on or before the 1st day of June in the following year, being the same date as that appointed for laying before Parliament the accounts of the expenditure of the Army, Commissariat, and Ordnance grants.

The result is, that instead of the Home side of the account being constantly in debt to the Army Grant, it is now kept permanently in sufficient credit to meet the payment of the commissariat bills, and all other demands upon it; a sum amounting to about 1,260,000 *l.* is constantly in a state of circulation in the Commissariat Chest Account; so that if it were possible to carry on the service without retaining a sufficient balance at home, and at the different stations abroad, to pay the commissariat bills, and make the numerous advances required, the above-mentioned amount might be paid back into the Exchequer; and although it is indispensably necessary to retain a floating balance of upwards of a million sterling for the above-mentioned purposes, yet as it has now been fully established that no payments are to be finally charged upon the Commissariat Chest Fund, and an annual account of the transactions connected with it is laid before Parliament, full security is given that no expenditure can take place connected with this fund without the knowledge of Parliament.

Royal Warrant dated the 27 June 1837, to apply Sums applicable to Extraordinary Expenses of the Army, pursuant to Treasury Warrants. (Q. 6361.)

Our will and pleasure is, and we do hereby direct, authorise, and require that all such sums of money as are now in or may come to your hands, applicable to the extraordinary services of Our army, be applied by you in pursuance of such warrants as may be issued by virtue hereof, by the Commissioners of Our Treasury for the time being, or of such warrants for the like services as have been issued by Our said Commissioners under the authority of the warrant of his late Majesty in that behalf, dated the 7th day of July 1830, and are still remaining unsatisfied.

Royal Warrant, dated the 16th June 1849, for the Regulation of the Commissariat Chest Account. Q. 6365.

"Our will and pleasure is, and we do hereby direct, authorise, and require, that all such sums of money as are now in, or may come to the hands of our Paymaster-general, applicable to the service of the Commissariat Chests, be applied by you in pursuance of such warrants or letters as may be issued by virtue hereof, by the Commissioners of our Treasury for the time being, or of such directions for the like services as have been issued by our said Commissioners under the authority of our warrant in that behalf, dated the 27th day of June 1837, and are still remaining unsatisfied. And we do further direct and require that the said monies shall be applied only in payment of monies raised for the supply of the Commissariat Chest, or in repayment of monies previously deposited in the said Chest, or in payment of advances to be repaid; and that such payments shall in no case remain finally charged upon the funds of the Commissariat Chest. It is further Our will and pleasure that you shall from time to time render to the Commissioners for Auditing the Public Accounts, statements, supported by proper vouchers, of all monies received and paid by you on account of the said Commissariat Chest, as well as of all transfers of accounts made by you in respect of the same; and that an annual account of the same, made up to the 31st March in each year by the said Commissioners for Auditing the Public Accounts, shall be by them transmitted to the Commissioners of our Treasury, and that the same shall be laid by the said Commissioners of our Treasury before Parliament on or before the 1st day of June in the year next following the said 31st day of March, if Parliament be then sitting, or if not, then within one week after Parliament shall be next assembled."

Memorandum by Sir *C. Trevelyan*, dated the 5th February 1851, with Remarks upon it, dated the 14th June 1854.

The Commissariat Memorandum Chest Fund is composed of the savings of the annual grant formerly made for Army Extraordinaries, and it is employed in making the advances required for carrying on the public service abroad, which advances are repaid to the Paymaster-general from the grants for the respective services in this country.

Previously to the year 1840 this fund was apparently in a bankrupt state, being constantly indebted to the army grants in a fluctuating balance, which reached in 1839 the sum of 2,000,000*l.*; but since that, by reducing the balances in the Commissariat Chests* abroad, by arrangements for the more speedy repayment of the advances, and by transferring the debt of the East India Company for recruiting for regiments in India to the War-office grant, for the express purpose of placing the Commissariat Chest Fund in a solvent state, the home side of the account has been brought into a state to meet the payment of the Commissariat bills and all other demands upon it.

The mode of operating upon this fund is regulated by the Royal Warrant, dated 16 June 1849, which directs that it "shall be applied only in payment of moneys raised for the supply of the Commissariat Chest, or in repayment of moneys previously deposited in the said Chest, or in payment of advances to be repaid; and that such payments shall in no case remain finally charged upon the funds of the Commissariat Chest."

Remarks.

They now amount to upwards of 500,000*l.*, but of this 150,000*l.* arises from surplus funds deposited in the chests in Australia for emigration remittances.

The outstanding balance due by the East India Company for the regiments in India, has since been recharged to the Commissariat Chest Fund. *See the latter part of the Memorandum.*

After the fund had been gathered up and placed in a solvent state, this Warrant was passed to establish its character as a banking fund to be used for the replenishment of the Commissariat Chests, and for making advances for carrying on the service of the country abroad, to be repaid from the respective votes, and in order to prevent any *final* payments being made from the fund. For many years claims were made upon it with more or less of reason, arising out of the charges formerly defrayed from the annual vote for Army Extraordinaries, but these were by degrees all disposed of, principally by assigning them to their proper

The

* The balances in the Chests abroad have been reduced since 1840 from an average of 1,350,000*l.* to 440,000*l.*

Appendix, No. 3.

Parl. Paper, No. 662, Sess. 1850, Q. 6350 to 6424 *See* also Appendix, No. 158. p. 1114.

The Warrant also directs that the account of the Chest shall be audited by the Commissioners of Audit, and shall be laid before Parliament on or before the 1st day of June in each year.

The last account laid before Parliament was for the year 1848–9, and showed a total balance, after deducting all liabilities, of 1,267,806 *l.* 10 *s.* 8 $\frac{3}{4}$ *d.*

Recent experience shows that this sum is larger than is required for meeting the demands of the service in ordinary times. If the Paymaster-general were to act at once upon the orders given by the respective departments, directing the transfer of sums to the Commissariat Chest in repayment of advances made abroad for Army, Navy, and Ordnance services, his Commissariat Chest cash balance would amount to nearly a million sterling; and in order to prevent so large a sum from being unnecessarily withdrawn from the Exchequer, he has for some time past delayed to make the transfers, whereby results apparently contradictory are shown in the Commissariat Chest account and in the balance sheets of the respective departments laid before Parliament.

But, on the other hand, it would be unsafe to reduce the Commissariat Chest Fund to the lowest amount required for making the necessary advances for carrying on the service in a time of general tranquillity. Owing to the widely extended colonial and foreign relations of this country, unexpected events may again occur calling for a large immediate outlay; and if, instead of a reserve fund being available to meet the increased amount of Commissariat Bills which would be drawn upon the Treasury in such a contingency, these bills had to be paid out of the grants of Parliament (if they would bear it) for the service of the current year, in addition to the other increased demands upon those grants likely to arise at such a period, an embarrassing derangement of the funds voted for other services might occur, before sufficient data could be collected on which to found an application to Parliament for increased supplies.

Under proper grants of Parliament; and, since the Warrant has been passed, the fund has been used only for making advances and repayments, or, in other words, strictly as a banking fund. All this was stated by me to Sir J. Graham, in my examination before the Army and Ordnance Committee, but it was justly considered that the fund ought to be appropriated under a Parliamentary sanction. A Queen's Warrant is not a sufficient security to Parliament that another Government might not obtain another Warrant, whereby the conditions would be altered.

This has been punctually done, and generally much earlier in the year than June. By the 3d clause of the Bill it is proposed that the account of each year, up to the 31st March, shall be laid before Parliament before the corresponding date in the following year. A complete set of the accounts, consisting of seven accounts, beginning with 1846–7, and ending with 1852–3, is submitted herewith, and the Treasury Minute, dated 3 October 1845. It is printed at the commencement of the first of them, and contains many important explanatory details.

The balance of assets over liabilities in each year have been as follows; and it will be seen that there has been a gradual increase in the capital of the fund, as old outstanding debts of a date prior to the 1st April 1846, when the account was commenced, have been got in:

		£.	s.	d.
31 March	1847	1,245,375	6	3
„	1848	1,270,733	16	2 $\frac{3}{4}$
„	1849	1,267,806	10	8 $\frac{3}{4}$
„	1850	1,270,790	13	7 $\frac{1}{4}$
„	1851	1,274,034	10	11 $\frac{1}{4}$
„	1852	1,292,590	13	4 $\frac{1}{4}$
„	1853	1,303,808	6	11 $\frac{1}{4}$
[„	1854	1,325,807	13	3 $\frac{1}{4}$
„	1855	The same as in the preceding year.]		

We have not been troubled with any "embarras des richesses" on this fund since the East India Company's debt has been re-transferred to it. The sum due to it by the Company at present is more than half a million.

The justice of these remarks has been since confirmed by the Caffre and Russian wars, which could not be carried on without large sums being available on the spot, to meet the extraordinary expenditure as it arose. £. 330,000 has been already remitted to Turkey in specie, from the Commissariat Chest Fund, for the supply of the Commissariat Chest in that country.

This

Under these circumstances, it is suggested that the advances shown on the annual War-office Balance Sheet to be due by the East India Company to the Army Grant, should be re-transferred to the debit of the Commissariat Chest fund, whereby the War Office would be enabled to close each year's account and to pay over the balance to the Exchequer, in the same manner as the other departments; and the debt of the East India Company would be transferred from the annual grant for the current service of the army to the Central Banking Fund, to which it appears more properly to belong, and to which it did belong previously to 1841, when it was transferred to the War Office grant for the purpose of relieving the Commissariat Chest.

The sum due by the East India Company to the Army Grants, on the 31st March 1849, which is the date of the last balance sheet laid before Parliament, amounts to 263,286 *l.* 1 *s.* 4 *d.*, to which must be added a further sum upon the balance sheet for 1849–50, about to be closed; and when these deductions shall have been made from the balance at the credit of the chest in the Paymaster-general's books, what will remain will not be more than sufficient to meet the requirements of the present period, besides leaving a moderate reserve for any emergency that may occur.

If this arrangement shall be adopted, 179,934 *l.*, the unappropriated balance remaining on the Army Grants for 1848–9 and preceding years, may be at once rendered available in aid of Ways and Means; and the same course may be adopted in regard to any unappropriated surplus on the Army Grants of subsequent years.

It appeared from the tenor of several questions put to me, in my examination before the Army and Ordnance Committee, that the Committee was under the impression that it is inconsistent with constitutional checks that so large a sum as that composing the Commissariat Chest Fund, the original Parliamentary appropriation of which can no longer be traced, should be at the disposal of the Executive Government without any restraint except what is self-imposed, and may therefore be at any time altered or withdrawn. If this view should be adopted, the most convenient mode of regulating the fund by legislative enactment, would perhaps be to make it the subject of a clause in the Appropriation Act, drawn in the terms of the Royal Warrant, by which the fund is at present regulated, because the amount of the fund would then annually come under review, and be adjusted with reference to the expected demands of the service during the ensuing year; but if this course of proceeding would not be in accordance with Parliamentary rules, a separate Act must be passed on the subject.

This was accordingly done with the beneficial result expected. The account of the Army Grant being relieved from this burden has ever since been annually closed at the appointed time, and the unexpended balance has been repaid to the Exchequer. Besides promoting the regularity of the accounts, therefore, this arrangement has had the effect of releasing balances which the War Office could not before surrender without crippling their means of carrying on the current service.

It was considered best to dispose of this subject once for all, by a special Act of Parliament, instead of introducing it annually into the Appropriation Act, and the draft of a Bill was prepared but has not yet been brought in.

Appendix, No. 3.

NOTE from Mr. *Anderson*, dated 24 July 1851.

I ENCLOSE a short estimate showing the demands upon the running balance of the Chest, including, of course, the debt of the East India Company for regiments in India. The effect of re-transfering that debt to the Chest, will be to release the surpluses of the Army Grants which are now retained in addition to the balance of the Commissariat Chest. This arrangement will therefore act practically as a surrender of so much of the Commissariat Chest surplus balance.

COMMISSARIAT CHEST BALANCE.

ASSUMING that the necessity for keeping up a fund for carrying on the business now conducted through the Commissariat Chests will not be questioned, the only point to be considered is the amount to which the balance of the fund ought to be limited.

	£.	s.	d.
1st. Balances must be kept in the hands of the several persons acting as paymasters of the fund, to enable them to meet the current demands of the public service in all parts of the world. The Paymaster-general, for instance, should have a balance in hand to meet the drafts of the commissaries and other payments for the Chest, equal to a month's expenditure, say -	250,000	–	–
The several Commissariat officers should have balances in hand equal to two months' expenditure, say - - - - -	500,000	–	–
2d. The several departments for which advances are made out of the funds of the Commissariat Chest cannot repay immediately the whole of such advances; time must be allowed for the receipt, examination, and settlement of accounts; as a low estimate of such outstanding debts, deducting the current debts of the Commissariat Chest itself, say, *net* - - - - - -	100,000	–	–
3d. The debt of the East India Company for advances on their account for recruiting for regiments in India, pay of officers, and other expenses, should be provided for out of the fund; the accounts on which this debt arises being voluminous, a long delay takes place before the balance can be settled; this debt cannot be set down at less than - - - - - -	*350,000	–	–
Making a Total of - - - £.	1,200,000	–	–

These are the chief items of the Commissariat Chest balance; many smaller ones might be introduced in favour of and against the fund, but without affecting the general result.

This balance is not sufficient to meet the suddenly increased demands of a Canada insurrection, nor those of a Caffre war; such exigencies must be provided for by special Votes; but for all the ordinary demands of the public service the balance will be found fully sufficient; and if the East India Company would repay the advances made on their account as quickly as the accounts are sent to them, the balance would then admit of reduction, say, to one million.

MEMORANDUM on the above by Mr. *Anderson*, dated the 15th June 1854.

I SEE no reason for altering this Estimate; the increased demands upon the Chest must be met by placing the account in funds by issues out of the extraordinary Vote to be obtained for the expedition.

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* This debt is now considerably more, but steps have been taken for reducing it, a larger payment on account being now made quarterly.

COMMISSARIAT CHEST FUND.

1851. 14 Vict.

DRAFT of a BILL for Limiting and Regulating the Commissariat Chest Fund.

Whereas various sums were granted by Parliament from time to time, up to the year One thousand eight hundred and thirty-two, for defraying certain services denominated "The Extraordinaries of the Army:" And whereas a fund now called "The Commissariat Chest Fund," the available balance of which amounted, on the Thirty-first day of March One thousand eight hundred and fifty, to the sum of One million two hundred and seventy thousand seven hundred and ninety pounds Thirteen shillings and Sevenpence, has arisen out of the said grants, and from the receipt of other monies on the public account, and the said Fund has been employed, under the direction of the Commissioners of Her Majesty's Treasury, as a banking fund, for facilitating remittances, and for temporary advances for public and colonial services, to be repaid out of the monies appropriated by Parliament, or otherwise applicable to those services: And whereas it is expedient to maintain in the Commissariat Chest Fund a sufficient available balance for supplying the several Commissariat Chests with monies for carrying on the public service, to limit the amount of such balance, and to make other provisions in respect of the said fund: Be it therefore enacted by the Queen's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: Preamble.

I. From and after the passing of this Act, the available balance of the Commissariat Chest Fund shall be limited not to exceed the sum of and in case upon the taking of the first annual account hereinafter directed, or upon the taking of any subsequent annual account, such available balance be found to exceed the said sum of the Commissioners of Her Majesty's Treasury shall direct the surplus of such balance above the said sum of to be paid to and form part of the Consolidated Fund. Available balance of Commissariat Chest Fund to be limited as herein mentioned, and surplus to form part of Consolidated Fund.

II. It shall be lawful for the said Commissioners to employ from time to time the said Commissariat Chest Fund, or the balances in the hands of persons acting as paymasters for the same fund, in the purchase of specie and payment of bills drawn on the said Commissioners for the supply of the several Commissariat Chests, in making temporary advances for public and colonial services, to be repaid to the Commissariat Chest Fund out of the money appropriated by Parliament to such services, or out of such other monies as may be applicable thereto, and in the repayment of monies deposited in any of the Commissariat Chests abroad on account of the public service: Provided always, that no expenditure whatsoever shall be finally defrayed out of or permanently charged upon the said fund. How Commissioners of Treasury are to employ the said Fund.

III. The said Commissioners shall cause to be prepared an annual abstract account, made up to and including the 31st day of March in every year, showing the sums received into and paid out of the several Commissariat Chests, in the financial year ending such Thirty-first day of March, and the balances remaining on that day in the hands of each of the persons acting as paymasters for the Commissariat Chest Fund; and such account shall also show the liabilities and assets of the said fund, and the available balance thereof, on the said Thirty-first day of March; and the said Commissioners shall lay such account before both Houses of Parliament, on or before the Thirty-first day of March in the year following the termination of such account, if Parliament be sitting, or if Parliament be not sitting, then within fourteen days after the next meeting of Parliament. Annual abstract account of said Fund to be made by Commissioners of Treasury, and laid before Parliament.

Appendix, No. 4.

Appendix, No. 4.

REPAYMENT OF LOANS.

Extract from a Letter from the Commissioners of Audit to the Treasury, 5 May 1848.

How far it is incumbent upon the Commissioners of Audit to see to the recovery of advances by Accountants.

The Special Commissioners further observe, that it is a question for the serious consideration of the auditors "how far any audit of these accounts can be considered final and "complete which does not follow up the recovery of the monies advanced?"* We may observe, however, that the audit of an account, and the recovery of monies advanced by an accountant under competent authority, are distinct and different duties. An accountant is chargeable with such sums only as he has actually received; and when he has satisfactorily proved to us by his accounts that he has properly disbursed those sums, he is entitled to his discharge, and we, in our capacity of auditors, are, as it seems to us, precluded from following the matter any further; and if it were part of the duty of an accountant to take such steps as might be necessary for the recovery of monies properly advanced by him, and he were invested with full powers for that purpose, the utmost we could then do would be to ascertain that the account of the loan had been properly kept, and to inquire from time to time whether any or what steps have been taken to enforce repayment, and, in the event of any difficulties occurring, to report to your Lordships on the subject; and it will be seen, on reference to that part of the Commissioners Report under the head of "Loan Accounts" (p. 1-6), in which the state of the proceedings for the recovery of these advances is described, together with their complicated nature and large amount, that this in itself would be found to be no slight additional duty thrown upon this office, and which we have no means, with our present strength, of adequately performing. If, however, the Commissioners, by the expression of "following up the recovery of the monies advanced," intend to convey the meaning that we should ourselves take those steps which may be necessary for the actual recovery of these advances, we cannot but apprehend that this is a duty which could only be satisfactorily performed by some executive department possessed of full powers.

Treasury Minute on the above Letter, 15 May 1848.

Reference to the Special Commissioners for the audit of the Famine Accounts.

Refer to the Special Commissioners for the audit of the expenditure connected with the Irish Relief Works.

Extract from Letter of Messrs. *Anderson* and *Kirby*, Special Commissioners for the Audit of the Expenditure connected with the Irish Famine, 24 May 1848.

Whether Auditors ought not to follow up the recovery of monies advanced.

The observations of the Commissioners make it necessary that we should offer a few explanations in reference to the suggestion at page 31 of our First Report, that it should be considered whether the auditors ought not to follow up the recovery of the monies advanced. Our meaning was that the Commissioners of Audit should have a check upon the Board of Works as to the collection of any advances liable to be recovered and credited in their accounts, so as to secure a credit for every sum received or which ought to be received from persons indebted for such advances. Our reason for the suggestion was, that some of the frauds in the Shannon accounts having arisen from rents received by the accountant, but not paid in and brought to account, we thought it possible that repayments of advances recoverable by the Board of Works might be exposed to similar irregularities.

The Commissioners state that "the audit of an account, and the recovery of monies advanced by the accountant under competent authority, are distinct and different duties."

We admit that they are distinct transactions in the accounts; but the question we submitted for the consideration of the Commissioners of Audit was, whether the repayments ought not to be under such a control as might prevent or detect the misappropriation of them in the manner stated. The following are the cases to which we thought the regulation might be usefully applied:—

Cases to which such a regulation might be usefully applied.

Large sums are now being laid out by the Board of Works under the heads of "arterial drainage" and "piers and harbours:"

On the completion of the works, awards will be made, and the repayments will be remitted from time to time to the Board of Works by the proprietors and others liable; as these repayments will be very numerous and of large aggregate amount, we considered that a check ought, if possible, to be established upon them. As, however, the Commissioners of Audit are of opinion that after they have ascertained the correctness of the advances, they are

* See pages 31–2 of the printed copy of the First Report of the Commissioners appointed by the Treasury in 1847 to report upon the Accounts of the Commissioners of Public Works in Ireland laid before Parliament in 1848.

are precluded from following the matter any further, our recommendation that they should establish a check upon the accounts of the recoveries falls to the ground; but we are still of opinion that such a control should exists somewhere, and that the audit is not complete without it.

Treasury Minute on the preceding Letter, 26 May 1848.

Transmit a copy of this letter to the Commissioners of Audit, for their information, with reference to their report, dated the 5th instant.

A control ought to exist somewhere for the purpose of securing the repayment of Loans at the proper periods, and of preventing the misappropriation of the sums so repaid.

State that their Lordships concur in opinion with Messrs. Anderson and Kirby, that a control ought to exist somewhere for the purpose of ascertaining that due precautions are taken to secure the repayment, at the proper periods, of the loans referred to in this letter, made by the Board of Works, and of preventing the misappropriation of the sums so repaid; and my Lords request that the Commissioners of Audit will assist them with any suggestions they may have to offer towards the attainment of this important object.

The Commissioners of Audit to the Treasury, 28 September 1849.

A central check should be established in the Audit Office, for the purpose of bringing before the Treasury from time to time the state of the debts due to the public.

We having again had under our consideration the subject of Mr. Pennington's letter, dated 27th May 1848, wherein your Lordships express an opinion that a control ought to exist somewhere, for the purpose of ascertaining that precautions are taken to secure the repayment, at the proper periods, of the loans made by the Board of Works in Ireland for drainage of land, and for preventing the misappropriation of the sums so repaid; and at the same time you desire that we should make any suggestions that may occur to us towards the attainment of this important object. In reply, we beg to observe that we have long been of opinion that some central check should be established, with the view of bringing before your Lordships, from time to time, the state of the debts due to the public; and we have arrived at the conclusion that it would be better for the public service that such check should be established in this office, where all the public accounts should centre, than in any other department of the Government. We beg leave to enclose copy of a Minute of our Board upon this subject, showing the course that it will be necessary to adopt in the first instance, should your Lordships approve of our proposition.

We need hardly observe to your Lordships that a considerable amount of additional labour will be entailed upon this office in keeping the proposed accounts. We are, however, willing, in the first instance, to undertake the duty with our present establishment; but should we hereafter find the establishment insufficient to meet the increase of duty, we shall deem it necessary to apply to your Lordships for such assistance as may be requisite.

Enclosure.

Copy of Minute of the Commissioners for Auditing the Public Accounts, of 19 September 1849, referred to in their Report dated 28 September 1849.

Proposal that the Commissioners of Audit should be furnished with a certificate from the Chief Remembrancer of the payments made by the County Treasurers to the Paymaster of Civil Services, and with statements of all presentments outstanding and unpaid.

The Board resume the consideration of Mr. Pennington's letter of the 27th May 1848, by which they were informed that the Lords of the Treasury were of opinion that "a "control ought to exist somewhere, for the purpose of ascertaining that precautions are "taken to secure the repayment, at the proper periods, of the loans made by the Board of "Works in Ireland (for drainage, &c.), and for preventing the misappropriation of the "sums so repaid; and their Lordships requested that this Board would assist them with "any suggestions which they might have to offer towards the attainment of this important "object." The Board have also before them their Report, dated 15th September 1840, upon a reference from the Treasury of a letter from the Paymaster of Civil Services in Ireland on the subject of his account of sums received in repayment of advances from the Consolidated Fund under an Act of 6 & 7 Will. 4, c. 116. In this Report the Board expressed their approval of the proposal of the Paymaster of Civil Services to furnish a statement or certificate from the Chief Remembrancer, who acts in the capacity of auditor of the county treasurers' accounts (with the exception of the county of the city of Dublin), showing the description and the amount of the payments made by such treasurers to the Paymaster of Civil Services within the period of such account; the Board also stated their reasons for considering it desirable that they should be furnished with statements of all presentments outstanding and unpaid.

Reply of the Treasury.

In reply to that Report the Board were informed by Treasury letter, dated 3d November 1840, that the Paymaster of Civil Services in Ireland was required, by Treasury Minute of 23d December 1839, to make out an annual account of all sums advanced, repaid and outstanding, a duplicate of which, it was stated, might be transmitted to this office, for the Board's information in regard to the general result of the previous examination; but it does not appear that any statement of the kind has been forwarded to this office; the Board therefore think it desirable that the Lords of the Treasury should be requested to transmit to this office the statement in question.

Ledger account proposed to be opened at the Audit Office

The committee of inquiry into the state of this office, to whom the Treasury letter of 27th May 1848 was referred, expressed an opinion, in their paper No. 19, that a ledger account should be opened in the secretary's department against each party or body from whom

against each party from whom money is due to the Crown.

whom money is due to the Crown, and from whom repayment will have to be claimed (such as the recoverable cases referred to in the Treasury letter), upon the same principle as advances on imprest are recorded in the books of the office.

The Board, by their Minute of the 18th December 1848, were pleased to approve of this recommendation of the committee.

Statements required for this purpose.

In order, however, to carry into effect this recommendation of the committee of inquiry, which was not limited to those cases referred to in the Treasury letter of 27th May 1848, but was intended to apply to all cases of outstanding loans, it will be necessary that this Board should be furnished with a statement, in the annexed form, of sums due to the Crown, as exhibited by the books of the several accountants, excepting those sums on imprest to sub-accountants and others which form a portion of the balance for which the accountant is responsible.

The statement should exhibit the loans in classes, and the general authority under which each class of loan was made, should be inserted.

Upon the receipt of these statements in the office, made up to the close of the last year, accounts are to be opened in ledgers for the several parties or bodies named therein: and the balance on the last day of the year is to be raised as the first charge against each respectively, by crediting the general loan fund, and debiting the party indebted to the Crown.

A similar statement will be required annually from each accountant to be sent to this office for the purpose of adjusting the charge in each case.

The Board direct that a copy of this Minute be forwarded to the Lords of the Treasury, for their approval of the course proposed to be taken.

STATEMENT of SUMS due to the Public, being Advances that have been made to the following Parties as Loans to be repaid, with Interest thereon (when Interest is payable), on account of*

Under the authority of

* Here insert the Class of Loan.

No. of Loan.	Name of Party or Body indebted.	——	Original Amount of Loan and Interest thereon to 18 .	Amount of Principal and Interest repaid prior to 18 .	Balance of Loan and Interest due on the 18 .	Further Sum advanced within the Year, and Interest upon the Total Debt, due to the 18 .	TOTAL.	Date of the last Advance on account of the Loan.	Repayments in the Year ended 18 .		Balance outstanding on the 18 .			Date of last Repayment.	REMARKS.
									Principal.	Interest.	Principal.	Interest.	TOTAL.		
			£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.		
		Loan -													
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Treasury Minute on the preceding Letters and Papers, 13 November 1849.

Appendix, No. 4.

My Lords have before them a report from the Commissioners of Audit, dated 28th September last, in which, after referring to the letter from this Board, dated 28th May 1848, wherein their Lordships expressed their opinion that a constant check and control should be exercised over the measures directed to be adopted for securing the repayment at the proper periods, of the loans made by the Board of Works in Ireland, and for the due appropriation of the sums so repaid, and desired that the Commissioners of Audit would make any suggestions that might occur to them towards the attainment of this important object, the Commissioners express their concurrence in this view, and suggest that a ledger account should be opened in the secretary's department against each party or body from whom money is due to the Crown.

Recapitulation of previous correspondence.

The check which it is the function of the Audit Office to maintain upon the transactions of public accountants, would obviously be very incomplete if means were not adopted to secure the punctual payment of all sums owing to the public, whether they are due for rents, repayment of advances, or on any other account; and as this duty properly belongs to the Audit Office, it should, in the opinion of this Board, be executed on the same principle, and, as far as possible, according to the same arrangements as those which regulate the rest of the business of that office.

The Audit Office should secure the punctual payment of all sums owing to the public.

It is incumbent on the accountant to show, in reference to every sum for the recovery of which, on behalf of the public, he is responsible, 1st, that he has taken all the steps prescribed for that purpose by the Treasury or other competent authority, and, 2d, that each sum, when recovered, has been paid by him to the proper account.

Responsibility of accountant.

The accountant should render such accounts, and furnish such explanations to the Commissioners of Audit, as may enable them to judge whether he has properly discharged himself of his responsibility in the above-mentioned respects; and, provided the accounts so rendered include all the points required for an effective examination of the transactions which form the subject-matter of them, their Lordships hope that it will not be necessary to open separate ledger accounts at the Audit Office.

If proper accounts are rendered, it may not be necessary to open a separate ledger account at the Audit Office.

Much the greater portion, both in number and aggregate amount, of the advances made on behalf of the Government, and of the repayments due upon them, is conducted by the Public Works Loan Commissioners and the Drainage Commissioners in England, and the Board of Public Works and the Paymaster of Civil Services in Ireland; and it appears to my Lords, that when the Commissioners of Audit shall have ascertained the actual state of each Loan, and of the repayments upon it, on a date to be fixed for the purpose, which might be the commencement of the ensuing year, it will not be difficult to maintain a current check upon the subsequent repayments.

Offices which are the medium of most of the advances and repayments.

My Lords have lately had under their consideration the measures proper to be adopted for the actual recovery of the advances made under various Acts of Parliament in Ireland, and they have determined that the duty of realizing the whole of the pecuniary claims of the Government in that country shall be intrusted to the Paymaster of Civil Services, subject to the arrangements described in the Minute of this Board dated 16th ultimo, a copy of which is to be transmitted to the Commissioners of Audit, for their information.

The Paymaster of Civil Services to recover all the loans in Ireland.

A check is maintained in the Audit Office over the collection of the rents and other dues of the Government connected with the land revenue, and this control should be extended to the rents and tolls collected by the Commissioners of Public Works in Ireland in their capacity of Shannon Commissioners, and to any other cases to which it is applicable.

The collection of rents and tolls to be checked by the Audit Board.

The Commissioners of Audit will therefore call upon the Paymaster of Civil Services in Ireland and other accountants, to furnish such periodical accounts in reference to each class of loan transactions as may, in their opinion, be necessary, for the purpose of bringing the collection of sums *owing to the public* under the same effectual check and control, by examination and audit at the Audit Office, as the expenditure of sums *due by the public*; and my Lords will be ready to furnish the Commissioners with any further information, and to give them any other assistance that may be required for the satisfactory accomplishment of this important object.

Such periodical accounts to be furnished as will enable the Commissioners of Audit to bring sums *owing to the public* under the same control as sums *due by the public*.

The annual account of all sums advanced, repaid, and outstanding in Ireland, which the Paymaster of Civil Services was directed to furnish by the Minute of this Board, dated 23d December 1839, a duplicate of which, it was stated in the letter from this Board, dated 3d November 1840, might be transmitted to the Commissioners of Audit for their information, has been printed in the Annual Finance Accounts; and this statement, and the detailed accounts of the loan transactions of the Board of Works in Ireland, published in the Appendix to their Annual Reports, afford valuable information relative to the several classes of payments due to the public in Ireland.

Accounts already furnished.

Write accordingly to the Commissioners of Audit.

Transmit a copy of this Minute to the Paymaster of Civil Services in Ireland, for his information and guidance.

Treasury Minute, dated 16 October 1849.

My Lords have before them a report from the Commissioners of Public Works, dated 25th August last, recommending that an officer should be appointed and attached to the Board for the special purpose of collecting repayments under the Drainage, and Piers and Harbours Acts, who should, if necessary, as the business increases, have the assistance of one,

New establishment recommended by the Commissioners of Public Works in

Ireland, for the purpose of collecting repayments.

one, two or more clerks, and that under this officer a competent local collector should be employed to make personal application on the lands whose current liability shall not be satisfied.

New establishment required in the Paymaster of Civil Services Office.

My Lords have also before them a letter from the Paymaster of Civil Services in Ireland, dated 1st instant, stating that the assistance of a third person has become indispensably necessary for the proper execution of the duties in his office incident to the recovery of the advances made under the Land Improvement Act, but that he hopes that three persons may be found adequate to the permanent discharge of these duties; pointing out the difficulties likely to arise in the recovery of the monies advanced under Mr. Labouchere's letter, for securing the repayment of which the Act of last Session of Parliament, chapter 60, was passed; and stating that one very careful and intelligent person is at once required to take charge of this department, with one assistant, and that very soon after a second assistant will be necessary.

Reference to the Report of Messrs. Anderson, Kirby and Bromley.

My Lords also refer to that portion of the report of Messrs. Anderson, Kirby and Bromley, upon the accounts of the Commissioners of Public Works in Ireland, dated 14th December 1847, which relates to the drainage and piers and harbours accounts.

Advances repaid through the Paymaster of Civil Services;

The following advances of public money in Ireland are repaid through the agency of the Paymaster of Civil Services:—

1. Loans to counties for various objects under different Acts of Parliament.
2. Advances made under the Act 2 & 3 Vict. c. 61, for the improvement of the navigation of the River Shannon.
3. Loans by the Commissioners of Public Works in Ireland, pursuant to the provisions of the Act 6 & 7 Vict. c. 44.
4. Annuities charged on counties and baronies for the repayment of the advances made under 1 Vict. c. 21, and 9 Vict. c. 1.
5. Loans made in anticipation of county presentments for roads under 9 Vict. c. 2.
6. Annuities from counties and baronies under 10 & 11 Vict. c. 87, for repayment of advances under 9 & 10 Vict. c. 107.
7. Annuities charged on Land under the Land Improvement Act, 10 Vict. c. 32.
8. Annuities charged under Mr. Labouchere's letter, dated 5th October 1846.

and through the Board of Works.

And the following advances are repaid through the Board of Works:—

1. Loans made by the late Commissioners for the issue of loans out of the Consolidated Fund under the 57 Geo. 3, c. 54, and subsequent Acts.
2. Loans made by the Commissioners of Public Works to counties, &c. under the Acts 1 & 2 Will. 4, c. 33, and subsequent Acts, which have been advanced in Exchequer bills.
3. Annuities charged on lands by the final awards of the Commissioners of Public Works as Commissioners of Drainage under the Acts 5 & 6 Vict. c. 89, 8 & 9 Vict. c. 69, and subsequent Acts.
4. Sums chargeable on districts or individuals by the awards of the Commissioners of Public Works made under the Acts for the construction of piers and harbours, 9 Vict. c. 3, and 10 & 11 Vict. c. 75.

Extent and duration of the duty.

The recovery of these advances at the stated half-yearly periods, will involve open accounts and correspondence with many thousand individuals for the next twenty-five or thirty years, even supposing no new measures of the kind to be introduced into Parliament; and it is therefore of the highest consequence to the public interest, that a well-defined system should be established, under which the repayments will be secured according to a fixed routine.

All the above repayments to be realized by the Paymaster of Civil Services.

For this purpose my Lords consider it to be indispensably necessary that the whole of this business should be performed by one establishment under one superintendence; and as it has always been the intention of this Board that the office of the Paymaster of Civil Services should be charged with the recovery of all the pecuniary claims of the Government in Ireland, and satisfactory arrangements have been made in that office for the repayment of the majority of those claims, including the numerous repayments under the Labour Rate and Land Improvement Acts, my Lords are pleased to determine that the duty of realizing all the above-mentioned classes of repayments shall be confided to the Paymaster of Civil Services.

Loans under the 57 Geo. 3, c. 34;

The loans under 57 Geo. 3, c. 34, and subsequent Acts were made previously to the establishment of the Board of Works. Those which are still outstanding are twenty in number, upon some of which no payments have been made for many years past, either on account of interest or principal. When the Paymaster of Civil Services shall have perused the correspondence relating to these loans, and shall have obtained all other requisite information regarding them, he will make a special report to this Board, in addition to the information which has been already furnished from his office on the subject of them, submitting the measures which appear to him to be required for the realization of such of the outstanding loans as are still recoverable, and explaining the actual state of the facts, in cases in which the loans appear to him to be absolutely and entirely irrecoverable.

under the 1 & 2 Will. 4, c. 33.

The loans made by the Board of Works under the Act 1 & 2 Will. 4, c. 33, which remain unpaid, are seventy-one in number, and the instalments of principal and interest are, for the most part, regularly paid as they become due. Some of these loans, however, are in arrear, and in respect to these the Paymaster of Civil Services will make a careful inquiry and report, as has been directed in reference to the preceding class of loans.

Course to be adopted when the Board of Works is receiver.

In some cases included in the two last-mentioned classes of loans, the Board of Works are receivers of the rents, tolls, &c. upon which the loans are secured. This arrangement will

will remain undisturbed, and the sums received by the Board of Works will be transferred, as they accrue, to the credit of the Paymaster of Civil Services, to be paid by him to the Consolidated Fund.

Loans under the Arterial Drainage Acts.

The sums due under the Drainage Acts, are fixed by the final awards made by the Commissioners of Public Works acting as Commissioners of Drainage, after the completion of each drainage work. An equal annuity, including principal and interest, on the plan of the Land Improvement Act, is charged in each case, under the authority of the letter from this Board, dated 28th November 1848, instead of fixed instalments of principal, and varying instalments of interest; and the amount of each annual instalment, and consequently the duration of the annuity, depends upon the net annual addition made to the proceeds of the land drained, as directed by the Drainage Acts. Eight final awards, including 124 indebted proprietors, have been passed, and 14 others are in a forward state.

The loans which have to be repaid, were partly obtained from private individuals, on the security of debentures, bearing an interest of 5 per cent., and were partly advanced by the Government at 4 per cent.

Remedies provided by these Acts.

The remedies provided by the Drainage Acts against defaulters are:—that in case any instalment which has become due, shall remain for thirty-one days unpaid, an additional charge of 1 *s.* in the pound shall be made on the sum overdue; and if the sum does not exceed 50 *l.*, the Commissioners of Public Works may recover by civil bill against the party liable to pay the same; if the instalment shall remain unpaid three months, the Commissioners may enter into possession of the rents and profits of the lands upon which the loans have been secured, or may raise the sums overdue by mortgage upon them; and if the instalment remains unpaid a year, the Board of Works may proceed to the sale of the property.

Course to be adopted.

Copies of the final awards will be delivered by the Commissioners of Public Works to the Paymaster of Civil Services, as the basis of the demands to be made by him. In the realization of the sums due under these awards, the Paymaster of Civil Services will follow the same general plan which is already successfully acted upon by him in regard to the Land Improvement repayments, with this difference, that instead of employing the agency of the Crown Solicitor to take the requisite legal steps against defaulters, the Paymaster of Civil Services will furnish a list of the defaulters under each award to the Commissioners of Public Works, in order that the Commissioners may proceed against them, under the powers conferred upon them by the Drainage Acts, the sums overdue being paid, when recovered, to the credit of the Paymaster of Civil Services.

Proprietors to be encouraged to pay off the principal sums.

The Paymaster of Civil Services will offer every practicable facility and inducement to the indebted proprietors to pay off the sums respectively due by them, in anticipation of the period fixed by the award; and with this view a circular letter should be sent to each individual, pointing out the advantage to him from the adoption of this course, according to the plan already commenced by the Board of Works.

Order in which the sums repaid are to be applied.

The Commissioners of Public Works will furnish the Paymaster of Civil Services with a statement of the principal and interest due on the loans connected with each drainage work upon which a final award has been made, and the Paymaster of Civil Services will apply the sums received by him in the following order; *i. e.*, first, to the payment of the interest on the private loans; secondly, to the payment of the principal sums composing those loans; and, thirdly, to the payment of the principal and interest of the Government loans.

Loans for the construction of Piers and Harbours.

The sums due under the Acts for the construction of piers and harbours are in like manner determined by awards to be made by the Commissioners of Public Works. No such awards have yet been made, but when any shall have been completed, copies of them will be delivered by the Commissioners of Public Works to the Paymaster of Civil Services, together with all other necessary information, in order that the Paymaster of Civil Services may collect the sums due, under the same general system as will be pursued in respect to the other repayments. All the loans for this class of works have been made by the Government, and the whole of the sums to be received will be therefore payable to the Consolidated Fund.

Board of Works to furnish a statement completed up to the latest date.

It is their Lordships' wish that these arrangements should be carried into effect at the earliest practicable period, and the Board of Works will therefore furnish the Paymaster of Civil Services with a statement, completed up to the latest date, of the accounts connected with each class of loans, the repayment of which will be transferred to that officer, upon receipt of which statements the Paymaster of Civil Services will proceed to secure the repayments as above directed.

When necessary, the Paymaster of Civil Services to act under a legal authority from the Board of Works.

In those cases in which the Board of Works is charged by law with the duty of receiving the repayments, the Paymaster of Civil Services will for the present act under a legal authority from that Board.

Three Clerks to be transferred from the Board of Works to the Paymaster of Civil Services.

My Lords are prepared to make any addition to the establishment of the Paymaster of Civil Services that may be indispensably necessary to enable him to carry out the instructions contained in this Minute, but they consider that it will be sufficient for the present if the services of three experienced and efficient clerks are placed at his disposal. My Lords are accordingly pleased to direct that Mr. J. Jackson, Mr. W. Yondell, and Mr. J. C. Barton, whose claims formed the subject of the letter from the Board of Works dated 26th June last, and of the Minute of this Board dated 3d July, be employed for the future under the Paymaster of Civil Services. The pay to be allowed to them will be the same as that which they received under the Board of Works, or 156 *l.* 10 *s.* per annum, and they will be considered to be on probation until the Paymaster of Civil Services shall be able to report that they are in every respect qualified to be placed on his establishment.

Annual Returns to be furnished.

In order that my Lords may periodically have before them the state of the repayments under

Appendix, No. 4.

under all the heads under which advances have been made in Ireland, they desire that the Paymaster of Civil Services will, as soon as possible after the close of each year, furnish them with a return made up to the 5th January, containing the following particulars:—

1. The aggregate sum due under each head on account of the arrears of former years;
2. The amount collected during the past year on account of such arrears;
3. The sum which became due during the past year;
4. The amount collected on account of such sum, and the amount still outstanding; and,
5. The names of the defaulters, and the sums for which they are respectively in default.

Transmit a copy of this Minute to the Paymaster of Civil Services, and to the Commissioners of Public Works, for their information and guidance respectively.

IRELAND.

Abstract of sums repaid under—
1st. Landed Property Improvement;
2d. Labouchere Drainage;
3d. Arterial Drainage.

STATEMENT of Sums Due, Paid, and Outstanding in respect of LANDED PROPERTY IMPROVEMENT, 5 April 1848 to 10 October 1855; LABOUCHERE DRAINAGE, 10 October 1848 to 10 October 1855; ARTERIAL DRAINAGE, 1 May 1849 to 1 November 1855.

	Due.			Paid.			Outstanding.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
Landed Property Improvement - -	479,212	3	5	463,747	3	11	15,464	19	6
Labouchere Drainage - - - -	39,688	16	6	79,713	13	8	9,975	2	10
Arterial Drainage - - - - -	90,362	8	7	87,198	17	8	3,163	10	11
£.	659,263	8	6	630,659	15	3	28,603	13	3

LANDED PROPERTY IMPROVEMENT.

Landed Property Improvement.

AMOUNT sanctioned to be issued under the Provisions of the Landed Property Improvement Acts, 10 Vict. c. 32, &c. - - - - - £. 2,000,000.

	£.	s.	d.
Amount of Rent-charge accrued due - - - - - - - - -	479,212	3	5
Ditto - - - Received - - - - - - - - -	463,747	3	11
Ditto - - - Outstanding - - - - - - - £.	15,464	19	6

Periods at which Rent-charge became Payable.	Amount of Rent-charge Accrued Due.			Amount Received.			Amount Outstanding.			Number of Defaulters.	Income Tax allowed and deducted from Rentcharge Accrued Due.				Defaulters whose Estates are in the Encumbered Estates Court.	
															Number.	Amount.
	£.	s.	d.	£.	s.	d.	£.	s.	d.		£.	s.	d.			£. s. d.
5 April 1848	67	7	2	67	7	2	—			—	—				—	—
10 Oct. –	4,970	12	8	4,967	7	8	3	5	–	1	-	-	-	-	1	3 5 –
5 April 1849	12,308	12	3	12,280	18	–	27	14	3	6	-	-	-	-	3	20 17 9
10 Oct. –	16,739	15	5	16,669	10	6	70	4	11	20	-	-	-	-	8	40 6 11
5 April 1850	23,824	10	9	23,636	12	10	187	17	11	33	-	-	-	-	13	114 15 5
10 Oct. –	27,415	18	5	27,097	16	1	318	2	4	44	-	-	-	-	17	188 17 5
5 April 1851	32,205	16	10	31,689	3	–	516	13	10	56	-	-	-	-	21	306 16 11
10 Oct. –	34,781	19	1	34,159	6	3	622	12	10	66	-	-	-	-	25	347 15 11
5 April 1852	37,836	11	5	36,908	2	1	928	9	4	81	-	-	-	-	30	403 – 11
10 Oct. –	39,426	5	4	38,421	15	–	1,004	10	4	85	-	-	-	-	31	412 15 11
5 April 1853	40,710	4	3	39,532	12	8	1,177	11	7	99	-	-	-	-	32	425 2 11
10 Oct. –	[a]40,838	1	2	39,577	16	7	1,260	4	7	106	[a]395	6	7	Rate at	34	426 15 11
5 April 1854	[b]41,646	–	6	40,144	7	9	1,501	12	9	118	[b]401	19	8	2⅓ £.	36	471 16 6
10 Oct. –	[c]41,568	5	2	39,710	1	9	1,858	3	5	130	[c]816	13	2	Rate at	39	534 2 6
5 April 1855	[d]42,383	4	7	40,254	12	4	2,128	12	3	146	[d]835	4	10	4⅔ £.	39	534 2 6
10 Oct. –	[e]42,488	18	5	38,629	14	3	3,859	4	2	171	[e]960	11	4	Rate at 5⅓ £.	40	551 13 11
£.	479,212	3	5	463,747	3	11	15,464	19	6							4,782 5 10

Amount received for Redemptions, part Redemptions or unexpended Balances of Loans, and paid to the Comptroller-general of the Exchequer - - - - - - £. 70,422 5 4

Paymaster of Civil Services Office, Dublin Castle,
14 April 1856.

Compiled up to and including 12 April 1856.

LABOUCHERE DRAINAGE.

Appendix, No. 4.

Labouchere Drainage.

STATEMENT showing the Amounts accrued due, received, and outstanding on account of Instalments of Principal and Interest, and Annuities respectively, to the 10 October 1855, pursuant to 10 Vict. c. 10, and 11 & 12 Vict. c. 106; together with the Total Sums received for Redemption of Annuities, and Payments in full for Principal and Interest, to 12 April 1856 inclusive.

Periods at which Amounts became due.	Total Amounts of Rent-charge, Principal and Interest.	Amounts Paid.	Arrears Outstanding.	Number of Defaults.
	£. s. d.	£. s. d.	£. s. d.	
10 October - 1848	1,381 6 6	620 13 1	760 13 5	50
5 April - - 1849	762 - 6	165 15 10	596 4 8	50
10 October - „	6,777 6 3	6,168 9 6	608 16 9	56
5 April - - 1850	6,769 9 7	6,155 1 11	614 7 8	59
10 October - „	7,003 7 5	6,390 1 1	613 6 4	62
5 April - - 1851	6,993 7 7	6,370 4 9	623 2 10	68
10 October - „	6,975 14 8	6,361 2 6	614 12 2	68
5 April - - 1852	6,959 15 5	6,349 9 -	610 6 5	69
10 October - „	6,838 7 10	6,226 12 -	611 15 10	72
5 April - - 1853	6,807 18 8	6,142 6 4	665 12 4	77
10 October - „	6,587 19 -	5,916 7 4	671 11 8	81
5 April - - 1854	6,576 13 1	5,890 - 11	686 12 2	84
10 October - „	6,477 7 1	5,778 - -	699 7 1	87
5 April - - 1855	6,463 13 9	5,701 2 10	762 10 11	102
10 October - „	6,314 9 2	5,478 6 7	836 2 7	124
£.	89,688 16 6	79,713 13 8	9,975 2 10	

	£. s. d.
Total Sum received in full for Principal and Interest - - - -	11,856 7 7
Ditto - - - - for Redemption of Annuities - - - -	8,354 5 -

ARTERIAL DRAINAGE, 5 & 6 Vict. c. 89, &c.

Appendix, No. 4.
Arterial Drainage.

INSTALMENT ACCOUNT:—86 Awards: 11 April 1856. 92 Awards Enrolled: five paid, and one "Clonakilty," not for Collection:

Instalment Payable.	Net Amount of Instalment.	Amount paid to 11th April 1856.	Arrears on 11th April 1856.	Instalments Outstanding.
	£. s. d.	£. s. d.	£. s. d.	
1 May - - 1849	487 16 4	487 16 4	—	—
1 November - „	1,207 2 6	1,188 17 3	18 5 3	2
1 May - - 1850	1,707 6 3	1,686 14 1	20 12 2	4
1 November - „	2,908 2 5	2,885 10 7	22 11 10	7
1 May - - 1851	3,202 8 4	3,160 12 6	41 15 10	10
1 November - „	4,753 12 7	4,711 16 9	41 15 10	10
1 May - - 1852	7,096 2 10	7,045 9 —	50 13 10	15
1 November - „	8,324 18 8	8,221 1 11	103 16 9	25
1 May - - 1853	8,687 5 1	8,573 18 1	113 7 —	29
1 November - „	8,589 — 1	8,384 9 9	204 10 4	33
1 May - - 1854	8,519 9 5	8,296 11 6	222 17 11	36
1 November - „	10,594 2 4	10,231 13 —	362 9 4	67
1 May - - 1855	10,929 17 1	10,454 11 11	475 5 2	100
1 November - „	13,355 4 8	11,869 15 —	1,485 9 8	202
TOTALS - - £.	90,362 8 7	87,198 17 8	3,163 10 11	540

	£. s. d.
TOTAL EXPENDITURE on 91 Awards - - - - - - -	629,740 16 1
Amount remitted per 16 & 17 Vict. c. 130, to 12 Jan. 1856 -	183,636 17 4
Principal to be Repaid - - - - - £.	446,103 18 9

TOTAL RECEIPTS:	£. s. d.
Instalments - - - - - - -	87,198 17 8
Redemptions - - - - - -	36,426 3 4
County Payments - - - - -	34,246 3 10
Poundages - - - - - -	931 1 8
Supplemental Grant Ardee - - -	1,112 2 6
£.	159,914 9 —

	PRINCIPAL.	INTEREST.	TOTAL.
APPROPRIATION:	£. s. d.	£. s. d.	£. s. d.
Public Loan Fund - - -	28,171 1 9	12,773 17 7	40,944 19 4
Debenture Account - -	109,603 — —	7,509 9 9	117,112 9 9
TOTAL - - £.	137,774 1 9	20,283 7 4	158,057 9 1
Balance - - -			1,856 19 11
			159,914 9 —

Paymaster of Civil Services Offices,
Dublin Castle, 11 April 1856.

Appendix, No. 5.

CUSTOMS.

A RETURN showing the GROSS INCOME of the CUSTOMS, distinguishing the Total Sums Received, the Sums Paid in its Progress to the Exchequer, the Purpose for which Paid, and the Authority for such Payment, and the Net Sum paid into the Exchequer, for the Years 1854-5 and 1855-6.

YEAR commencing 6 April 1854 and ending 31 March 1855.

Balances and Bills outstanding on 5 April 1854.	Gross Receipt.	Repayments, Drawbacks, &c.	Net Receipt, including Balances.	Payments out of Income in its Progress to the Exchequer, as per following Detail.*	Payments into the Exchequer.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
401,967 11 3	22,245,117 17 1	253,442 13 9	22,393,642 14 7	200,176 17 10	21,429,903 14 9

* Purposes for which the Sum of 200,176 *l.* 17 *s.* 10 *d.* was paid out of the Income of the Year ended 31 March 1855, in its progress to the Exchequer, with the Authorities for the same.

PARTICULARS OF THE PAYMENT.	AMOUNT.	AUTHORITY FOR PAYMENT.
	£. s. d.	
Superannuation and Compensation Allowances and Pensions (net amount after abatement of Superannuation Deductions, per Act 4 Will. 4, c. 24) - - - -	198,250 3 6	Various Treasury Orders, under the Acts 50 Geo. 3, c. 117; 3 Geo. 4, c. 113; and 4 & 5 Will. 4, c. 24.
Compensation Allowances to Naval Officers in the Plantations - - - - - - - - - -	1,926 14 4	
£.	200,176 17 10	

YEAR commencing 1 April 1855 and ending 31 March 1856.

Balances, Bills, and Advances repayable out of Votes, outstanding on 31 March 1855.		Gross Receipt.	Repayments, Drawbacks, &c.	Net Receipt, including Balances and Advances.	Payments out of Income in its Progress to the Exchequer, as per following Detail.*	Payments into the Exchequer.
Balances and Bills.	Advances repayable out of Votes.					
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
449,987 17 11	313,574 4 1	23,481,817 15 6	268,020 15 –	23,977,359 2 6	207,033 13 3	23,034,029 – 7

* Purposes for which the Sum of 207,033 *l.* 13 *s.* 3 *d.* was paid out of the Income of the Year ended 31 March 1856, in its progress to the Exchequer, with the Authorities for the same.

PARTICULARS OF THE PAYMENT.	AMOUNT.	AUTHORITY FOR PAYMENT.
	£. s. d.	
Superannuation and Compensation Allowances and Pensions (net amount after abatement of Superannuation deductions, per Act 4 Will. 4, c. 24.) - - - -	202,990 16 –	Various Treasury Orders, under the Acts 50 Geo. 3, c. 117; 3 Geo. 4, c. 113; and 4 & 5 Will. 4, c. 24.
Compensation Allowances to Naval Officers in the Plantations - - - - - - - - - -	1,890 19 –	
Expenses under the Merchant Shipping Act, Part 2 -	2,142 18 3	- - Merchant Shipping Act, 1854. (17 & 18 Vict., c. 104.)
£.	207,033 13 3	

The particulars embodied in the foregoing Return have in part been supplied by the Comptroller-general of Her Majesty's Customs.

Office of the Inspector-general of Imports and Exports, Custom House, London, 9 June 1856.

John A. Messenger, Inspector-general of Imports and Exports.

A RETURN, showing the Gross Income of the Excise, Stamps, Land and Assessed Taxes, and Income and Property Tax, distinguishing the Total Sums Received, the Sum Paid in its Progress to the Exchequer, the Purpose for which Paid, and the Authority for such Payment, and the Net Sum Paid into the Exchequer, for the Years 1854–5 and 1855–6.

INLAND REVENUE.

YEAR commencing 5 April 1854, and ending 31 March 1855.

	Balances and Bills outstanding on the 5th April 1854.	Gross Receipt.	Repayments, Drawbacks, &c.	Net Receipts, including Balances.	Payments out of the Income in its Progress to the Exchequer, as per following Detail.	Payments into the Exchequer.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Excise - - - -	322,584 12 1	17,669,548 13 8¾	627,253 12 1¾	17,364,879 13 8	187,969 11 11¼	16,695,537 14 –
Stamps - - -	173,989 11 8¾	7,404,073 12 4½	244,533 19 2	7,333,529 4 11¼	15,418 12 1	7,093,777 4 –
Land and Assessed Taxes	12,269 4 1¼	3,229,642 8 6¾	4,520 18 8¼	3,237,390 13 11¾	16,047 3 4	3,160,640 19 10
Income and Property Tax	43,911 17 4¾	11,031,836 7 4½	109,569 10 7¼	10,966,178 14 2	- - -	10,642,620 19 9
Total - - £.	552,755 5 3¾	39,335,101 2 –½	985,878 – 7¼	38,901,978 6 9	219,435 7 4¼	37,592,576 17 7

Purposes for which the Sum of 219,435*l.* 7 *s.* 4¼ *d.* was paid out of the Income of the Year ending 31 March 1855, in its Progress to the Exchequer, with the Authority for the same.

PARTICULARS OF THE PAYMENTS.	AMOUNT.	AUTHORITY FOR THE PAYMENTS.
	£. s. d.	
Superannuation or retiring allowances and compensation allowances upon abolition of office.	187,736 10 8¼	Treasury; under the provisions of the Acts 50 Geo. 3, c. 117, 3 Geo. 4, c. 113, and 4 & 5 Will. 4, c. 24.
Compensation allowances upon abolition of fees - - -	110 8 7	Treasury Warrant, dated 20th July 1839.
Irish charity pensions - - - - - - - -	661 5 10	Treasury Letter, dated 30th September 1824.
Pensions to widows and children of men killed, and to officers and men wounded in the service.	992 13 –	Treasury; under the provisions of the Act 47 Geo. 3, c. 66, s. 42.
Annuities to widows and children of contributors to the late Scotch Incorporation Fund.	7,020 17 2	Parliament, per Act 5 & 6 Will. 4, c. 72.
Allowances to late officers of the tax department in Ireland -	2,981 18 3	Treasury Warrant, dated 28th November 1825, on the repeal of the assessed taxes in Ireland.
Gratuities to disabled and discharged men of the revenue police in Ireland.	1,374 12 1	Treasury Letters of various dates. These persons not being entitled to a retiring allowance under the Superannuation Acts, when they become disabled, are recommended by the Board to the Treasury for such gratuity as their Lordships may think fit to award. In ordinary cases the gratuity made is one month's pay for each year of service.
Pension to assignees of the late Charles Boone, esq. (moiety of Earl Bath's pension).	1,200 – –	Letters Patent, dated 16th August, in the 25th year of the reign of Charles the Second.
Pension to the Duke of Grafton - - - - -	7,191 12 –	Letters Patent, dated 22d October, in the 26th year of the reign of Charles the Second.
Judicial establishment for Scotland remaining chargeable on the Excise revenue during the lives of the present holders.	10,165 9 9	Parliament; per Act 17 & 18 Vict. c. 94.
£.	219,435 7 4¼	

INLAND REVENUE.

YEAR commencing 1 April 1855, and ending 31 March 1856.

	Balances and Bills outstanding on 31 March 1855.	Gross Receipt.	Repayments, Drawbacks, &c.	Net Receipt, including Balances.	Payments out of the Income in its Progress to the Exchequer, as per following Detail.	Payments into the Exchequer.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Excise - - - -	481,372 7 8¾	18,355,449 4 9	723,310 10 5	18,113,511 2 –¾	373,734 2 6¾	17,117,373 9 6
Stamps - - -	224,333 8 10¼	7,297,666 17 1½	233,154 16 –½	7,288,845 9 11¼	14,742 2 4	7,076,912 13 3
Land and Assessed Taxes	60,702 10 9¾	3,140,465 16 3	4,388 10 4¼	3,196,779 16 8½	18,058 8 1	3,100,031 1 8
Income and Property Tax	323,557 14 5	15,402,901 14 11½	243,444 – 7	15,483,015 8 9½	- - -	15,070,958 2 9
TOTAL - - £.	1,089,966 1 9¾	44,196,483 13 1	1,204,297 17 4¾	44,082,151 17 6	406,534 12 11¾	42,365,275 7 2

Purposes for which the Sum of 406,534 *l.* 12 *s.* 11 ¾ *d.* was Paid out of the Income of the Year ending 31 March 1856, in its Progress to the Exchequer, with the Authority for the same.

PARTICULARS OF THE PAYMENTS.	AMOUNT.	AUTHORITY FOR THE PAYMENT.
	£. s. d.	
Superannuation or retiring allowances upon abolition of office	185,845 14 8¼	Treasury; under the provisions of the Acts 50 Geo. 3, c. 117, 3 Geo. 4, c. 113, and 4 & 5 Will. 4, c. 24.
Compensation allowances upon abolition of fees - - -	105 – 10½	Treasury Warrant, dated 20th July 1839.
Irish charity pensions - - - - - - - - -	656 8 8¾	Treasury Letter, dated 30th September 1824.
Pensions to widows and children of men killed, and to officers and men wounded in the service.	933 18 1½	Treasury; under the provisions of the Act 47 Geo. 3, c. 66, s. 42.
Annuities to widows and children of contributors to the late Scotch Incorporation Fund.	6,604 13 3½	Parliament; per Act 5 & 6 Will. 4, c. 72.
Allowances to late officers of the Tax Department in Ireland	2,737 9 7½	Treasury Warrant, dated 28th November 1825, on the repeal of the Assessed Taxes in Ireland.
Gratuities to disabled and discharged men of the revenue police in Ireland.	1,429 11 2¾	Treasury Letters of various dates. These persons not being entitled to a retiring allowance under the Superannuation Acts, when they become disabled, are recommended by the Board to the Treasury for such gratuity as their Lordships may think fit to award. In ordinary cases the gratuity made is one month's pay for each year of service.
Pension to the assignees of the late Charles Boone, esq., moiety of Earl Bath's pension.	1,200 – –	Letters Patent, dated 16th August, in the 25th year of the reign of Charles the Second.
Pension to the Duke of Grafton - - - - -	7,191 12 –	Letters Patent, dated 22d October, in the 26th year of the reign of Charles the Second.
Purchase of the pension of the Duke of Grafton - - -	193,777 13 2	Treasury Letter, dated 25th January 1856.
Judicial establishment for Scotland remaining chargeable on the Excise revenue during the lives of the present holders.	6,052 11 3	Parliament, per Act 17 & 18 Vict. c. 94.
£.	406,534 12 11¾	

Inland Revenue Office,
10 June 1856.

L. S. Lyne,
A. & C. G.

Appendix, No. 5.

POST OFFICE.

RETURN, showing the GROSS INCOME of the POST OFFICE, distinguishing the Total Sums Received, the Sums Paid in its Progress to the Exchequer, the Purposes for which Paid, and the Authority for such Payment, and the Net Sum Paid into the Exchequer for the Year 1854-5, and for the Year 1855-6.

YEAR commencing 5 April 1854 and ending 31 March 1855.

Balances and Bills outstanding on 5 April 1854.	Gross Receipts.	Repayments, Drawbacks, &c.	Net Receipts, including Balances.	Payments out of Income in its Progress to the Exchequer, as per following Detail.	Payments into the Exchequer.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
455,255 5 4	2,689,916 9 10½	54,579 18 4	3,090,591 16 10½	26,708 18 9	2,343,000 – –

Purposes for which the Sum of £. 26,708. 18. 9. was paid out of the Revenue of the Year ended 31st March 1855, in its Progress to the Exchequer, with the Authority for the same.

PARTICULARS OF THE PAYMENTS.		AMOUNT.	Authority for the Payment.
		£. s. d.	
Superannuations and pensions to persons formerly employed in the collection of the Post Office Revenue –		19,317 11 7	The Lords Commissioners of Her Majesty's Treasury.
Less superannuation abatements under Act 4 Will. 4, c. 24 – – – – – – – – – –		5,424 14 1	
		13,892 17 6	
Compensation for offices abolished – – – –		2,580 11 3	The Lords Commissioners of Her Majesty's Treasury.
Hereditary Pensions charged on the Post Office Revenue:		16,473 8 9	
To His Grace the Duke of Marlborough – – –		4,000 – –	Act of Parliament, 5 Anne, cap. 4.
His Grace the Duke of Grafton – – – –		3,384 – –	Grant, 19th January, in 20th year of the reign of Charles the Second, confirmed by Act 22 & 23 Charles the Second, No. 44.
Receiver-general's fee thereon paid over to revenue –		23 10 –	
The heirs of His Grace the Duke of Schomberg, viz.:			
The Duke of Leeds – – – – £.	1,080		
Charles, Eyre, Esq. – – – – –	720		
Trustees of Henry Philip Powys, Esq. –	360		
R. Gosling, Esq. – – – – –	360		
Trustees of Caroline Mary, wife of Sir Robt. W. Gardiner, Emily Anne, wife of Burke Cuppage, Esq., and Georgina, wife of Lieut.-Col. Henry Pester, under the marriage settlement of Lady Ker with Capt. M'Leod, R.A. (in 1783), and under the will of Lieut.-Col. Francis M'Leod – –	216	2,828 – –	Grant, William and Mary, confirmed by Act 1 George the First, No. 78, and Letters Patent of 29th June, 2 George the First.
Lieut.-Col. Henry Pester (during minority of his son, John Constantine Pester) 72*l.* unpaid – – – – – – –	—		
Dame Henrietta M'Leod – – – –	72		
Receiver-general's fees on the above pensions paid over to the revenue – –	20		
	£.	26,708 18 9	

General Post Office, May 1856.

Geo. E. Hide,
Receiver and Accountant-general.

YEAR commencing 1 April 1855 and ending 31 March 1856.

Balances and Bills outstanding on 1 April 1855.	Gross Receipts.	Repayments, Drawbacks, &c.	Net Receipts, including Balances.	Payments out of the Income in its Progress to the Exchequer, as per following Detail.	Payments into the Exchequer.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
720,882 18 1½	2,793,870 10 -¾	26,669 5 1½	3,488,084 3 -¾	53,494 5 2	2,757,752 17 10

Purposes for which the Sum of £. 53,494. 5. 2. was paid out of the Income of the Year ending 31 March 1856, in its Progress to the Exchequer, with the Authority for the same.

PARTICULARS OF THE PAYMENTS.		AMOUNT.	Authority for the Payment.
		£. s. d.	
Superannuations and pensions to persons formerly employed in the collection of the Post Office Revenue -		27,345 10 2	The Lords Commissioners of Her Majesty's Treasury.
Less superannuation abatements under Act 4 Will. 4, c. 24		6,511 1 4	
		20,834 8 10	
Compensation for offices abolished - - - -		2,665 10 3	The Lords Commissioners of Her Majesty's Treasury.
		23,499 19 1	
Hereditary Pensions charged on the Post Office Revenue:			
To His Grace the Duke of Marlborough - - -		4,000 - -	Act of Parliament, 5 Anne, c. 4.
His Grace the Duke of Grafton - - - -		3,384 - -	Grant, 19th January, in the 20th year of the reign of Charles the Second, confirmed by Act 22 & 23 Charles the Second, No. 44.
Receiver-general's fee thereon paid over to revenue -		23 10 -	
To The Heirs of His Grace the Duke of Schomberg, viz.:	£. s. d.		
The Duke of Leeds - - -	1,080 - -		
Charles Eyre, Esq., one year, to 5th January 1856 - - -	720 - -		
Charles Eyre, Esq., 6th January to 17th March 1856 - - -	142 8 4		
Trustees of Henry Philip Powys, Esq. - - - - - -	360 - -		
R. Gosling, Esq. - - - - -	360 - -		
Trustees of Caroline Mary, wife of Sir R. W. Gardiner, Emily Anne, wife of Burke Cuppage, Esq., and Georgina, wife of Lieut.-col. Henry Pester, under the marriage settlement of Lady Ker with Captain M'Leod, R.A. (in 1783), and under the will of Lieut.-col. Francis M'Leod -	216 - -	3,187 8 1	Grant, William and Mary, confirmed by Act 1 Geo. 1, No. 78, and Letters Patent of 29th June, 2 George the First.
Lieut.-col. Henry Pester (during minority of his son, John Constantine Pester), three years' payment - - - - - -	216 - -		
Dame Henrietta M'Leod - -	72 - -		
Receiver-general's fee on the above pensions paid over to revenue -	20 19 9		
Amount paid to Charles Eyre, Esq., for purchase of one-fourth of grant held by the heirs of the Duke of Schomberg - - - - - - - - -		19,399 8 -	The Lords Commissioners of Her Majesty's Treasury.
	£.	53,494 5 2	

General Post Office,
24 May 1856.

Geo E. Hide,
Receiver and Accountant-general.

Appendix, No. 5.

CROWN LANDS.

RETURN showing the Gross Income of the Crown Lands, distinguishing the Total Sums Received, the Sum Paid in its Progress to the Exchequer, the Purpose for which Paid, and the Authority for such Payment, and the Net Sum Paid into the Exchequer, for the Years 1854–5, and 1855-6.

YEAR commencing 1st April 1854 and ending 31st March 1855.

Balances outstanding on the 1st April 1854.	Gross Receipts.	TOTAL.	Payments out of Income in its Progress to the Exchequer, as per following Detail.	Payments into the Exchequer.	Balances outstanding on the 31st March 1855.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
56,266 7 9	383,756 15 1	440,023 2 10	122,132 16 3	272,571 16 8	45,318 9 11

Purposes for which the Sum of £. 122,132. 16. 3. was Paid out of the Income of the Year ending 31st March 1855, in its Progress to the Exchequer, with the Authority for the same.

PARTICULARS OF THE PAYMENT.	AMOUNT.	Authority for the Payment.
	£. s. d.	
Salaries and Per-centage of Receivers and Stewards of Manors, including their Expenses -	8,078 1 10	Acts 10 Geo. 4, c. 50, and 14 & 15 Vict. c. 42.
Surveys, Plans, &c., of Crown Property - -	3,969 8 8	
Repairs and Improvements - - - -	20,922 18 –	
Rates and Taxes - - - - - -	12,032 11 7	
Fixed Charges, Pensions, Stipends, &c. - -	7,572 16 8	
Other Payments - - - - - -	9,610 18 10	
£.	62,186 15 7	
Windsor Forest and Parks - - - -	19,706 17 6	
Royal Forest and Woodlands - - - -	40,239 3 2	
£.	122,132 16 3	

YEAR commencing 1st April 1855, and ending 31st March 1856.

Balances outstanding on the 1st April 1854.	Gross Receipts.	TOTAL.	Payments out of Income in its Progress to the Exchequer, as per following Detail.	Payments into the Exchequer.	Balances outstanding on the 31st March 1856.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
45,318 9 11	421,715 1 1	467,033 11 –	134,302 19 1	281,515 15 9	51,214 16 2

Purposes for which the Sum of £. 134,302. 19. 1. was Paid out of the Income of the Year ending 31st March 1856, in its Progress to the Exchequer, with the Authority for the same.

PARTICULARS OF PAYMENT.	AMOUNT.	Authority for the Payment.
	£. s. d.	
Salaries and Per-centage of Receivers and Stewards of Manors, including their expenses -	8,644 4 11	Acts 10 Geo. 4, c. 50, and 14 & 15 Vict. c. 42.
Expenses attendant on the preparation and sales of Timber on Estates - - - - - -	7,962 7 2	
Surveys, Plans, &c., of Crown Property - -	2,625 10 2	
Repairs and Improvements - - - -	37,727 2 9	
Rates and Taxes - - - - - - -	1,549 5 3	
Fixed Charges, Pensions, Stipends, &c. - -	8,146 8 5	
Other payments - - - - - - -	10,152 4 7	
£.	76,807 3 3	
Windsor Forest and Parks - - - -	18,459 8 1	
Royal Forests and Woodlands - - - -	39,036 7 9	
£.	134,302 19 1	

Charles Gore, *James Howard*, } Commissioners of Her Majesty's Woods, Forests, and Land Revenues.

Office of Woods, &c.
16 July 1856.

Appendix, No. 6.

Appendix, No. 6.

STATEMENT, showing the Sums received on account of EXTRA RECEIPTS (ARMY, ORDNANCE, and COMMISSARIAT), for each Year since 1848, with the Payments made on such Account to the Exchequer, or Pay Office, during the same Period.

YEAR.	ARMY.	ORDNANCE.	COMMISSARIAT.	Total Amount paid into Her Majesty's Exchequer in the same Period.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1849 - - -	91,556 15 –	144,676 – –	15,969 – 5	252,201 15 5
1850 - - -	79,245 18 5	164,548 16 10	10,327 10 5	254,122 5 8
1851 - - -	86,740 7 1	166,005 13 3	13,282 2 4	266,028 2 8
1852 - - -	84,766 14 7	231,853 13 –	5,681 8 9	322,301 16 4
1853 - - -	89,676 18 9	179,293 8 5	10,752 19 4	279,723 6 6
1854 - - -	65,053 4 5	183,914 14 11	12,172 2 2	261,140 1 6
1855 - - -	111,234 1 2	208,948 5 11	Account not yet prepared by Commissioners of Audit.	320,182 7 1
£.	608,273 19 5	1,279,240 12 4	68,185 3 5	1,955,699 15 2

War Department, 30 May 1856.

Henry Smith.

Appendix, No. 7.

Appendix, No. 7.

RETURN showing the SUMS received for OLD NAVAL STORES, &c., for each Year since 1848, with the Payments made on such Account to the Exchequer, or to the Paymaster-General's Office, during the same Period.

YEAR IN WHICH RECEIVED.	AMOUNT RECEIVED.	REMARKS.
	£. s. d.	
Year ended 31 December 1848 - -	195,650 5 6	These amounts have been paid over to the Exchequer quarterly, pursuant to the directions contained in the Treasury Minute of 2 May 1848.
,, ,, 1849 - -	175,348 19 2	
,, ,, 1850 - -	151,057 5 8	
,, ,, 1851 - -	118,942 3 11	
,, ,, 1852 - -	146,410 14 1	
,, ,, 1853 - -	*133,060 2 1	
,, ,, 1854 - -	140,759 2 7	
,, ,, 1855 - -	202,185 1 10	
£.	1,263,413 14 10	

* In addition to this amount, 50,000*l.* was transferred from the *Naval Prize Balance* in the hands of the Paymaster-general to the Consolidated Fund in June 1853, with the approval of the Lords Commissioners of the Treasury, under Act 13 & 14 Vict. c. 40, sect. 2.

Admiralty, 23 May 1856.

R. M. Bromley,
Accountant-General of the Navy.

Appendix, No. 8.

VOTES for Revenue Departments, showing the Amount of each Vote, the Date and Amount of each Issue from the Exchequer, and the Date when drawn by the Accountants from the Exchequer Account; showing also the Payment of certain consequent Amounts into the Exchequer Account under the same Heads of Revenue.

	Amount of Vote.	When Issued from Exchequer.	Amount.	When Drawn from the Exchequer Account.	Payments into the Exchequer Account immediately succeeding the Issues.	
					Date.	Amount.
Year to 31 March 1855:	£.		£. s. d.			£. s. d.
Customs - - -	840,785	1854: Dec. - 4	406,649 8 2	1854: Dec. 6		
		1855: Mar. - 6	202,048 9 10	1855: Mar. 8		
		„ June 11	196,579 18 5	„ June 12		
			805,277 16 5		1854: Dec. 7	749,529 14 6
		Balance unissued	35,507 3 7		1855: Mar. 8	432,946 14 5
		£.	840,785 – –		„ June 13	362,000 – –
Coast Guard - -	479,320	1854: Dec. - 4	214,301 9 –	1854: Dec. 6		*Note.* The Customs repayments include the Coast-Guard.
		1855: Mar. - 6	110,245 13 3	1855: Mar. 8		
		„ June 11	106,263 9 5	„ June 12		
			430,810 11 8			
		Balance unissued	48,509 8 4			
		£.	479,320 – –			
Inland Revenue -	1,154,594	1854: Nov. 23	313,390 17 6	1854: Nov. 24	1854 Nov. 25	220,420 6 4
					„ Nov. 28	226,840 8 7
		„ Dec. 28	218,903 11 11	„ Dec. 29	„ Dec. 30	208,245 12 –
					1855: Jan. 2	288,356 12 4
		1855: Feb. 19	49,722 – 5	1855: Feb. 20	„ Feb. 20	217,330 15 7
		„ Mar. 15	272,541 3 8	„ Mar. 15	„ Mar. 17	489,811 6 1
		„ June 11	294,042 19 9	„ June 12	„ June 14	436,000 – –
			1,148,600 13 3			
		Balance unissued	5,993 6 9			
		£.	1,154,594 – –			
Revenue Police, Ireland	52,769	1854: Nov. 23	11,895 10 9	1854: Nov. 24	No means of checking the repayments separately.	
		„ Dec. 28	12,245 15 6	„ Dec. 29		
		1855: Feb. 19	3,230 17 4	1855: Feb. 20		
		„ Mar. 15	14,458 – –	„ Mar. 15		
		„ June 11	10,938 16 5	„ June 12		
		£.	52,769 – –			
Post Office - -	1,525,335	1854: Nov. 30	311,906 6 10	1854: Dec. 1	1854: Dec. 2	320,000 – –
		„ Dec. 27	258,476 6 5	„ Dec. 29	„ Dec. 30	376,000 – –
		„ Dec. 27	116,383 9 5			
		1855: Feb. 19	357,077 8 7	1855: Feb. 20	1855: Feb. 22	367,000 – –
		„ June 11	435,732 15 9	„ June 12	„ June 12	445,000 – –
			1,479,576 7 –			
		Balance unissued	45,758 13 –			
Total - - £.	4,052,803	£.	1,525,335 – –			

	Amount of Vote.	When Issued from Exchequer.	Amount.	When drawn from the Exchequer Account.	Payments into the Exchequer Account immediately succeeding the Issues.	
					Date.	Amount.
Year to 31 March 1856:	£.		£. s. d.			£. s. d.
Customs - - -	835,182	1855: Sept. 24	196,031 19 4	1855: Sept. 24		
		„ Dec. 11	206,284 5 9	„ Dec. 11		
		1856: Mar. 11	202,169 6 10	1856: Mar. 11		
			604,485 11 11			
		Balance unissued	230,696 8 1		1855: Sept. 25	362,000 - -
					„ Dec. 12	340,000 - -
		£.	835,182 - -		1856: Mar. 12	325,000 - -
Coast Guard - -	483,238	1855: Sept. 24	108,780 6 5	1855: Sept. 24		
		„ Dec. 11	116,355 3 5	„ Dec. 11		
		1856: Mar. 11	112,793 14 11	1856: Mar. 11		
			337,929 4 9			
		Balance unissued	145,308 15 3			
		£.	483,238 - -			
Inland Revenue -	1,365,950	1855: Sept. 24	321,458 10 6	1855: Sept. 24	1855: Sept. 26	377,000 - -
		„ Dec. 11	301,753 14 3	„ Dec. 12	„ Dec. 13	330,000 - -
		1856: Mar. 11	280,602 2 1	1856: Mar. 11	1856: Mar. 13	350,000 - -
			903,814 6 10			
		Balance unissued	462,135 13 2			
		£.	1,365,950 - -			
Revenue Police, Ireland	62,720	1855: Sept. 24	16,162 10 -	1855: Sept. 24	No means of checking the repayments separately.	
		„ Dec. 11	14,237 11 2	„ Dec. 12		
		1856: Mar. 11	14,594 16 10	1856: Mar. 11		
			44,994 18 -			
		Balance unissued	17,725 2 -			
		£.	62,720 - -			
Post Office - -	1,638,861	1855: Sept. 24	383,242 15 -	1855: Sept. 25	1855: Sept. 25	330,000 - -
		„ Dec. 11	353,727 12 3	„ Dec. 12	„ Dec. 13	365,000 - -
		1856: Mar. 11	432,752 17 10	1856: Mar. 12	1856: Mar. 13	432,752 17 10
			1,169,723 5 1			
		Balance unissued	469,137 14 11			
Total - - £.	4,385,951	£.	1,638,861 - -			

Appendix, No. 9.

LIST of CASES of CONTROL exercised at the EXCHEQUER, with References to the original Correspondence.

Correspondence Book.			
Vol. 1., p. 42	1834 : 5 Nov.	Comptroller-General to Chancellor of Exchequer.	- - Calls attention to Credits being directed for Navy and other Departments, before they are required, considerable Balances remaining unapplied. (*Copy of Letter appended, No.* 1, *p.* 648.)
– p. 138	1835 : 11 Feb.	Assistant Comptroller to Chancellor of Exchequer.	- - Again calls attention to same subject, and to the saving that might have been effected on Interest of Deficiency Bills. (14 Feb. Chancellor of Exchequer will give the important subject immediate attention.) (*Copies appended, No.* 2, *p.* 649.)
Vol.. 2, p. 38	1839 : 28 Dec.	Comptroller-General to Treasury.	- - Warrant for Maintenance and Repair of Marshalsea in Dublin, not in strict conformity with Act, which contemplates only Building and Repairs. (Treasury Reply, that Warrants will be more correctly worded in future.)
– p. 46	1840 : 3 Jan.	Ditto to Chancellor of Exchequer.	- - Difference between maximum Charge and actual Payment for Diplomatic Services. Striking off Balance suggested. (*Copy appended, No.* 3, *p.* 650.)
– p. 53	„ 27 Jan.	Ditto to Treasury - -	- - On the Revenue Departments (Ireland), suggesting improved method of vouching correctness of their Accounts for Acquittances. (Suggestions approved by Treasury.)
– p. 71	„ 26 May	Ditto to ditto - -	- - Warrant of Transfer for Queen's Inn Society, founded on expired Act. Cannot act.
– p. 74	„ 17 June	Ditto to ditto - -	- - Informality in Royal Order and Treasury Warrant for 39,900 *l.* Secret Service Money. (Amended Royal Order and Warrant transmitted from Treasury.)
– p. 87	„ 3 July	Ditto to ditto - -	- - Inadequate Balance in the Exchequer in Ireland to meet quarterly Charge. (Deficiency provided for by Treasury, 3 July, Comptroller-General's Minute.) (*Copy appended, No.* 4, *p.* 650.)
– p. 90	„ 13 July	Ditto to ditto - -	- - Issue of certain Officers in Ireland, attending during Session of Parliament. Doubts if warranted in sanctioning continuance of this Charge. (*Copy appended, No.* 5, *p.* 651.)
Minute Book.			
P. 27	„ 29 Dec.	Comptroller-General's Minute.	- - On legal construction of Act for Annuity to Bank of Ireland. (*Copy appended, No.* 6, *p.* 651.)
Correspondence Book.			
Vol. 2, p. 146	1841 : 15 Oct.	Comptroller-General to Treasury.	- - Legality of Issues from Ways and Means granted in Second Session for Services granted in First Session; Opinion of Law Officers taken, involving also irregularity in Royal Orders and Treasury Warrant, dated before Ways and Means Acts, and consequent correction. (*Copies of Correspondence appended, No.* 7. *p.* 652.)
„ p. 237	„ 11 Nov.	Ditto to ditto - -	- - Treasury Warrant and Letter for Transfer to Commissioners of Public Works (Ireland), for 4,964 *l.* 9 *s.* 6 *d.* exceeding amount granted by Act. Both instruments illegal, and cannot be carried into effect. (Withdrawn and cancelled, fresh Instruments substituted.) (*Copies of Correspondence appended, No.* 8, *p.* 665.)

(*continued*)

Correspondence Book.				
Vol. 2., p. 240	1841	10 Nov.	Comptroller-General to Treasury.	- - Returning informal Warrants for corrections; drawn on wrong form, and with unattested erasures.
– p. 250	„	13 Nov.	Ditto to ditto - -	- - Issuing letter; 5,000 *l.* to Paymaster of Exchequer Bills incorrect, Royal Order not being quoted; to prevent delay has forwarded Credit without waiting for corrected instrument.
– p. 283	„	24 Nov.	Ditto to ditto - -	- - On Warrant for remittance of 50,000 *l.* from Exchequer Fund at Bank of England to that at Bank of Ireland; care necessary to be taken that this sum does not appear as double receipt; subsequent correspondence with Audit Office on the subject, referring to non-audit of Exchequer Accounts.
– p. 286	„	25 Nov.	Ditto to ditto - -	- - Discrepancy between Royal Order for Credit to Paymaster of Civil Services, Ireland, and issuing letter for Transfer; points out reasons for authorising Transfers in Ireland in place of giving Credits.
– p. 320	„	27 Nov.	Ditto to ditto - -	- - Royal Order, 500 *l.*, for Museum of Economic Geology, granted to Commissioners of Woods, &c., and Treasury Warrant to Mr. Sargent; authorities conflicting, and cannot be complied with. (Warrant withdrawn and corrected.)
– p. 344	„	9 Dec.	Ditto to ditto - -	- - 5,000 *l.* Exchequer Bills for Public Works, Ireland, issued by way of Loan, but not so applied; Bills since paid off and amount repaid to Consolidated Fund; will create error in accounts of Advances and Repayments.
– p. 353	„	21 Dec.	Ditto to ditto - -	- - Attention drawn to sum of 25,050, stated by Paymasters of Exchequer Bills as Exchequer Bills outstanding, but which really appears as an amount agreed upon about the year 1820, to reconcile accounts with Treasury books and Parliamentary Papers; also to 5,700 *l.*; particulars not known. (Explanation by Paymasters; reference to Audit Office, and final exclusion from accounts.) (*Copies of Correspondence appended, No. 9, p. 665.*)
Vol. 3., p. 22	1842	11 Jan.	Ditto to ditto - -	- - Discrepancy in issuing letter for 8,000 *l.* to Commissioners of Woods, for New Buildings, British Museum; Royal Order and Treasury Warrant, directing Credits to Paymaster of Civil Services; directions conflicting, and cannot be complied with. (Treasury Letter returned, and new Letter forwarded:)
– p. 50	„	28 Jan.	Assistant Comptroller to Treasury.	- - Transfer suspended to Paymaster of Civil Services, Ireland, 30 *l.* 4 *s.*, for Royal Exchange, Dublin, the Acts being misquoted. (Subsequent explanation from Commissioners of Customs.)
– p. 52	„	28 Jan.	Comptroller-General to Secretary of Chancellor of Exchequer.	- - Comptroller-General's amendments on draft of proposed Bill for removing restrictions on Appropriation Acts of two Sessions of 1841.
– p. 73	„	7 Feb.	Ditto to Chancellor of Exchequer.	- - Returns copy of the Bill submitted to him, with an amendment.
– p. 57	„	29 Jan.	To Comptroller-General from Treasury, with Minute.	- - Referring to Comptroller-General's objection, that Principal and Interest of Exchequer Bills for improvement of River Shannon, could not legally be paid by Paymaster of Civil Services; and directing payments to be made by Exchequer in the usual manner.
– p. 123	„	15 Feb.	Comptroller-General to Treasury.	- - Referring to Report of Commissioners for inquiring into Exchequer Bills, states case for opinion of Law Officers as to Assistant Comptroller's functions ceasing under section 26 of the Exchequer Act 4 & 5 Will. 4, c. 15, during attendance of Comptroller-General. (Pa. 169, 28 February 1842. Law Officers' opinion, that Assistant Comptroller may sign Exchequer Bills when Comptroller-General is in attendance.)

Correspondence Book.			
Vol. 3, p. 192	1842: 23 Mar.	Comptroller-General to Treasury.	- - As to Treasury Letter, directing issue of 875 *l.* for expenses of Master of the Horse, for Quarter to 30 January 1841, out of 3d Class of Civil List, for Quarter to 31 March 1841, submits that by the Act 1 Vict. c. 2, s. 9, such an issue is illegal. (Corrected; issuing Letter afterwards acted on). (*Copy of Letter appended, No.* 10, *p.* 674.)
– p. 232	„ 21 April	Comptroller-General to Mr. Trevelyan.	- - Draft Royal Order and Treasury Warrant for 60,000 *l.*, Civil Contingencies, England and Ireland, irregular; legal distinction between Credit and Transfer; refers to former Correspondence.
– p. 250	„ 2 May	Ditto to ditto - -	- - Returns Draft Warrant for 90,000 *l.* to Commissioners of Public Works, for Quarter to 5 April 1842, charging Amount on Consolidated Fund, and directing issue out of growing Produce, Quarter to 5 July; Warrant wrong; no authority in Act to charge on growing Produce; difficulty of making charge in middle of the Quarter (afterwards charged on Consolidated Fund, Quarter to 5 July). (*Copy of Letter appended, No.* 11, *p.* 674.)
– p. 326	„ 6 July	Ditto to ditto - -	- - Has issued transfer for Annuities and Pension, minus 922 *l.* 12 *s.* 11 *d.*, amount of Lord Manners' Pension; dead some time back; subsequent correspondence as to Comptroller's functions in suspending issues for lapsed Pensions. *Treasury Letter*, 11 *July*; *Comptroller-general's Answer*, 12 *July*; *and Treasury Letter*, 3 *August*. (*Copies of Correspondence appended, No.* 12, *p.* 674.)
Vol. 4, p. 36	1843: 7 Jan.	Ditto to ditto - -	- - Attention drawn to a charge in Schedule of Salaries, Courts of Justice, Ireland, obviously inserted after date and signature of Paymaster of Civil Services, and not authenticated by him or any other person. (19 January 1843, Treasury approve Comptroller's course, and will in future authenticate any addition by signature of Secretary). (*Copies appended, No.* 13, *p.* 677.)
Minute Book.			
P. 121	„ 18 April	Comptroller-General's Minute.	- - Correcting anomaly in making payments into Exchequer Account, on account of Conscience Money, through the Chief Clerk to the Comptroller-general.
P. 132	„ 18 Aug.	Ditto - - - -	- - When Committee of Supply has closed, List of Votes to be compared with Royal Orders and Treasury Warrants already received.
P. 132	„ 22 Aug.	Ditto - - - -	- - Comptroller-General has compared every Royal Order and Treasury Warrant of this Session with the Resolutions of Supply, and marked them with his initials in red ink. This course to be always pursued.
Correspondence Book.			
Vol. 5, p. 47	1844: 8 April	Comptroller-General to Treasury.	- - Enclosing case for Law Officers; legality of consolidating in one Royal Order the several Votes for Army, &c. (*Copies appended, and Treasury Letter, and Opinion of Law Officers*, 24 *June* 1844, *No.* 14, *p.* 678.)
– p. 67	„ 29 April	Ditto to ditto - -	- - On recommendation from Audit Commissioners, that Comptroller-General should grant acquittance to Paymaster of Civil Services, for repayments of Loans for Public Works, to Exchequer Account, by Bank of Ireland; Comptroller-General objects to grant acquittance to any other persons than those by whom the payments are made. (Further Correspondence from Treasury, 4 March 1845, and Comptroller-General's Reply of 5 March).
– p. 97	„ 1 Aug.	Ditto to ditto - -	- - Returns Treasury Warrant, for transfer to Paymaster-General, for Expenses of Convicts, Ireland; contrary to precedent, and anomalous.
– p. 115	„ 15 Aug.	Ditto to ditto - -	- - Comptroller-General reports on suggested alterations in Specifications, and mode of payment into Exchequer by Revenue Departments; illegal under Exchequer Act. (20 September 1844, Treasury Minute adopts Comptroller-general's view.)

(*continued*)

Minute Book.			
P. 168.	1845: 24 Mar.	Comptroller-General's Minute.	- - Royal Orders and Treasury Warrants. when received at the Exchequer, to be forthwith examined and compared with the authorities on which they are founded. (*Copy of Minute appended, No.* 15, *p.* 681.)
Correspondence Book.			
Vol. 5, p. 207	„ 11 Aug.	Comptroller-General to Treasury.	- - Discrepancy in amount of Royal Order and Treasury Warrant (7,565 *l.*), and Vote (22,565 *l.*) for New Zealand. (13 August 1849. Treasury requests return of erroneous instruments, and Comptroller-general returns them the same day.) (*Copies of Letters appended, No.* 16, *p.* 682.)
– p. 272	1846: 31 July	Ditto to ditto - -	- - Four separate Votes for Law Charges consolidated in one Royal Order; this alteration inconsistent with Exchequer control. Suggests adherence in future to established practice, separate Votes in Appropriation Act, and Issues kept distinct in Exchequer Books. (5 August. Treasury concur.) (*Copy of Comptroller-General's Letter appended, No.* 17, *p.* 682.)
– p. 276	„ 3 Aug.	Ditto to ditto - -	- - Calls attention to an Act passed, authorizing advances of Exchequer Bills for Public Works, when no Exchequer Bills for this purpose are authorized to be issued.
– p. 278	„ 8 Aug.	Comptroller-General to Master of the Mint.	- - Suggests keeping distinct Accounts at the Bank of England according to Votes of Parliament, that the Bank Returns of Payments may enable the Comptroller-general effectually to make his Annual Account to Parliament. (12 August. Suggestion adopted.)
– p. 286	„ 24 Aug.	Comptroller-General to Bank of England.	- - Refers to the Bank Quarterly Statement of Balances, showing one general Balance of Paymaster-general: Under Exchequer Act, Comptroller-general is required to state Balances, under each head of Account, in his Parliamentary Account; requests, therefore, Balances to be separately stated in Bank Return. (28 August. Bank reply; will conform in future to suggestions.) (*Copies of Letters appended, No.* 18, *p.* 683.)
– p. 289	„ 3 Oct.	Assistant Comptroller to Treasury.	- - Calls attention to issue of 50,000 *l.* out of the Consolidated Fund in Ireland, under the Relief Act of 9 & 10 Vict. c. 107; and to objectionable provisions of the Act, authorizing Issues to an unlimited amount, and making no provision for the repayment of Advances. (15 October. Treasury concur in objections; omission of providing for repayments will be supplied in future legislation.)
Vol. 6, p. 50	1847: 25 Sept.	To Public Works Office, Dublin.	- - Act not quoted in payment into Exchequer Account at Bank of Ireland; this essentially requisite in all cases.
– p. 72	„ 29 Nov.	To Paymaster of Civil Services, Ireland.	- - Questions accuracy of payment into Exchequer Account at Bank of Ireland of 45,000 *l.* for "Temporary Relief of Destitute Persons;" Treasury directing this payment on account of "Grants for Distress in Ireland."
– p. 139	1848: 24 July	Comptroller-General to Treasury.	- - Calls attention to neglect of payment from Treasurer of Surrey, towards Expenses of Official Referees, as directed, half-yearly: no payment since 8 October 1846. (Similar Letter, 17 February 1849. No Arrears paid up, 16 May 1849.) (*Copies of Letters appended, No.* 19, *p.* 683.)
– p. 139	„ 24 July	Ditto to ditto - -	- - Certain issuing Letters, dated 22 July, irregular in not reciting Title of Ways and Means Act, which had not, in fact, received the Royal Assent when the Letters were written; but a Royal Assent was given the same day; and the law admits of no fraction of a day; the Comptroller-general has acted on the Letters, but returns them to the Treasury for completion, in conformity with usage.

Correspondence Book.			
Vol. 6, p. 175	1849: 16 Jan.	Comptroller-General to Treasury.	-- Draft Letter, with Observations on the Treasury Minute regulating the Office of the Paymaster-general, 22 December 1848. (*Appended to the "Exchequer Memorandum," Minute amended at Comptroller-General's suggestion.*)
-- p. 201	„ 6 Mar.	Ditto to ditto - -	-- Comptroller-General declines to sign Acquittance for Interest on Loans to British Guiana, &c. till furnished with Treasury Certificate under the Act 11 & 12 Vict. c. 22. (Similar Letter from Comptroller-General on 27 April 1850.)
- p. 235	„ 14 July	Ditto to ditto - -	-- Of 100,933 *l.* 7 *s.* 10 *d.* directed to be issued to National Debt Commissioners on account of the Public Works Loan Fund, being the amount of repayments under various Acts, the sum of 53,282 *l.* 11 *s.* 5 *d.* only is re-issuable under the Acts quoted, and Comptroller-General objects to issue more. (6 August 4849, Treasury send explanation of Paymaster of Civil Services, dated 27 July, and 7 August, Comptroller-General reports he has no further difficulty in issuing full amount.)
- p. 254	„ 28 Aug.	Ditto to ditto - -	-- Irregularity of Issues upon Loans for Workhouses, Ireland, directed under Treasury Warrant, dated 19 June 1849, for purposes of an Act passed 1 August, suggests new Warrant, and declaration that former Warrant will not be acted on. (Treasury reply, 22 December 1849, will continue to draw on old Warrant for old services, and will issue new Warrant for Loans under new Act.) (*Copies of Letters appended, No.* 20, *p* 684.)
- p. 269	1850: 7 Jan.	Comptroller-General to Paymaster of Civil Services.	-- Names of two deceased persons inserted in Irish Schedules; presumes payment will be made to day of death only.
- p 277	„ 16 Jan.	Comptroller-General to Treasury.	-- Out of 89,149 *l.* 8 *s.* 5 *d.* declared to be repayments of Advances for Public Works, Ireland, Comptroller-General objects to issue more than 78,737 *l.* 10 *s.* 3 *d.* legally re-issuable under the Acts quoted, without further information. (Treasury reply, 2 May 1850, enclosing explanation from Paymaster of Civil Services, dated 22 April.)
- p. 319	„ 18 May	Ditto to ditto - -	-- Royal Order for 2,000,000 *l.* for Army, founded on Votes of 12 and 18 March, together for 2,902,000 *l.*, not strictly correct, as Exchequer Act requires that Royal Orders should quote particular Act or Vote; Comptroller-General has acted on it, but submits propriety of stricter definition in future. (Treasury reply, pa. 322, 28 May, that they think the Royal Order in strict conformity with practice and opinion of Law Officers in 1844; if Comptroller-General differs, will submit new case.)
p. 326	„ 13 June	Comptroller-General to Paymaster-general.	-- Irregularity in Receipt for Exchequer Bills issued to Paymaster-general; Comptroller-General objects to any Receipt not bearing Paymaster-general's signature.
p. 335	„ 21 June	Comptroller-General to Treasury.	-- Irregularity in payment of Lord Campbell's Salary, charged, but not issued from the Exchequer, no Patent having been produced; rests with Treasury and not Exchequer; correction difficult, as the Comptroller-General does not see how issue can be made for service which, he has been informed, has already been paid. (*Copy of Letter appended, No.* 21, *p.* 684.)
p. 350	„ 18 Sept.	Assistant Comptroller to Secretary of Treasury.	-- In reply to Treasury Letter, declines to alter Exchequer Books, which are legal records, as desired by Treasury, to correct errors made by Paymaster of Civil Services, in repayments made into the Exchequer, the accounts having been reported to the Treasury and Audit Office by the Exchequer. -- (*continued*)

Correspondence Book.			
Vol. 6, p. 363	1850: 21 Oct.	Assistant Comptroller to Treasury.	- - Refers to payment into Exchequer Account by Paymaster of Civil Services, Ireland, of Balance of Credit to Commissioners of Public Records; presumes under Treasury Authority; requests notice in future from Treasury as to these payments, not immediately sanctioned by Parliament, as at Bank of England. (*Copy of Letter appended, No. 22, p. 685.*)
– p. 374	„ 18 Dec.	Comptroller-General to Sir A. Y. Spearman.	- - Arranging the Form of Warrant, and Issue for Civil List Savings. (*Copy of Letter appended, No. 23, p. 685.*)
Vol. 7, p. 2	1851: 2 Jan.	Ditto to Treasury - -	- - Erroneous payment into Exchequer Account of 200 *l.* by Bank of Ireland, remitted by Bank of England; affecting Comptroller-General's Audit Account, Parliamentary Account, and the Balance of Income and Expenditure. (16 January. Treasury reply, with adjustment of this error.)
Minute Book.			
	„ 14 Jan.	Comptroller-General's Minute.	- - Erroneous payment into Exchequer Account by Paymaster-general of 681 *l.* 13 *s.* 6 *d.* on account of Sycee Silver (China Money), instead of Balance of Grant for Relief of Distress in Ireland. (7 March. Treasury Letter correcting this error, and transmitting Finance Accounts for correction.) (*Copies appended, No. 24, p. 686.*)
Correspondence Book.			
Vol. 7, p. 30	„ 6 Feb.	Comptroller-General to Treasury.	- - Adjustment of error in the Public Accounts of Repayments by the Treasurer of Cashel and Shillelagh Unions. (30 January 1851. Comptroller-General Minute.) (*Copy appended, No. 25, p. 687.*)
– p. 34	„ 21 Feb.	Comptroller-General's Chief Clerk to Bank Cashier.	- - Error in Bank Return of Daily Payments, Account for Navy Services overdrawn by 20,000 *l.* (24 February. Cashier's reply; amended Return forwarded, error in substituting Navy instead of Ordnance, arising from deficient check. New check arranged, and error cannot occur again.)
– p. 52	„ 8 Apr.	Comptroller-General to Treasury.	- - Suspending from Transfer for Salaries, Irish Courts of Justice, 115 *l.* 7 *s.* 9 *d.*, salary of P. K. Mahoney, late Accountant-general of Exchequer, lately deceased, no new Appointment having been recorded at Exchequer. Comptroller-General doubts if Office be not abolished under 13 & 14 Vict. c. 51, s. 12. (13 June 1851. Treasury reply, enclosing Report from Paymaster of Civil Services.) (11 August. Comptroller-General in continuation, as to irregular system of Charges on the Consolidated Fund in Ireland, and suggesting mode of correction as to lapsed Charges. (17 September. Treasury reply, with Minute of 12 September, to carry out Comptroller-General's Suggestions.) (*Copies of Correspondence appended, No. 26, p. 687.*)
– p. 54	„ 11 Apr.	Ditto to ditto - -	- - Legality of Issue to Paymaster of Civil Services for Constabulary Expenses, Ireland, and not to Receiver-general of Constabulary as directed by Act. (16 April. Sir C. E. Trevelyan's reply. Treasury embarrassed by Comptroller-General's doubt of legality; Mr. Leake will explain.) (2 May. Treasury Letter; issue to Paymaster-general for the use of Receiver-general.) (*Copies appended, No. 27, p. 689.*)
– p. 65	„ 6 May	Ditto to ditto - -	- - Transfer of account at Bank of England, of Commissioners of Woods to Paymaster-general; Comptroller-General must issue Credits to Commissioners of Woods, till informed officially by the Treasury of the Change. (31 March. Treasury Letter enclosing Minute of 25 March, authorizing transfer of Account to Paymaster-general.—*N. B.* Not received at Exchequer till 12 May.)

Correspondence Book.			
Vol. 7, p. 92	1851: 11 Aug.	Comptroller-General to Treasury.	- - Calls attention to Unissued Balances of Charges on Consolidated Fund, and expediency of declaring them Savings. Refers to his previous Letter of 3d March 1848. Appends List. (23 August. Treasury declare part Savings, and ask information as to remainder. 6 October. Comptroller explains as to 25,000 *l.*, Quarter's Annuity to Queen Dowager. 6 December. Treasury declare all Savings.) (*Copies of Correspondence appended, No.* 28, *p.* 690.)
– p. 121.	„ 18 Oct.	Ditto to ditto - -	- - Suspending Issue for Salaries of Assistant Barristers, Ireland. (5 November. Treasury Letter and Minute. 19 November. Further ditto, with opinions of the Attorney-general, Ireland, and Mr. Coppinger. 25 November. Comptroller-General's Reply. Treasury Directions irregular and unprecedented, and cannot properly be carried into effect. Suggests, meanwhile, advances out of Civil Contingencies. 31 December. Treasury reply and Minute. Comptroller's suggestions carried out.) (*Copies of Correspondence appended, No.* 29, *p.* 693.)
– p. 173	1852: 7 April	Ditto to ditto - -	- - Certain Salaries (Justice Crampton, &c.) charged, according to Treasury directions of 5th April, on Consolidated Fund. Requests Warrants, granting those Salaries, to be recorded at the Exchequer, to authorize Issues. (Patents recorded at Exchequer 12 April.) (*Copies of Letters appended, No.* 30, *p.* 697.)
– p. 174	„ 12 April	Ditto to ditto - -	- - Transfers suspended of certain Salaries, Courts of Justice, Ireland, till authorities recorded at Exchequer. (10 April. To Paymaster of Civil Services on same subject. *N. B.*—Authorities forwarded by Treasury, on 26th April.) (*Copies of Letters appended, No.* 31, *p.* 697.)
– p. 193	„ 22 June	Ditto to ditto - -	- - Irregular Issue of Royal Orders and Treasury Warrants (Kaffir War, &c.), no Ways and Means remaining unappropriated. (26 June. Treasury reply as to correction. 13 July. Comptroller-General acknowledges correcting Royal Order, &c. 13 July. Comptroller-General's Minute.) (*Copies appended, No.* 32, *p.* 699.)
– p. 216	1852: 21 Dec.	Ditto to ditto - -	- - Refers to Treasury Directions to carry to head of "Imprest Monies Repaid," &c. Payment into Exchequer by Paymaster-general, on account of Exchequer Fees. Comptroller-General submits it should be carried to head of "Surplus Fees." (7 January 1853. Treasury concur.)
– p. 233	1853: 11 Feb.	Ditto to ditto - -	- - Overcharge of 137 *l.* 18 *s.* 8 *d.* in Consolidated Fund Warrant for Lord Chancellor's Salary. (9 March. Treasury reply; Overcharge will not be issued.) (*Copy of Comptroller-General's Letter appended, No.* 33 *p.* 704.)
– p. 240	„ 11 Mar.	Ditto to ditto - -	- - Comptroller-General not authorized by Law to issue 10,000 *l.* on account of the Funeral of the Duke of Wellington. Supplemental Votes of 1852–53. Difficulty as to Ways and Means. (14 March. Treasury reply.) 15 March. Comptroller-General in continuation. 24 March. Treasury reply, as to undoubted intention of Parliament; undertake to include these Votes in next Appropriation Act. 24 March. Comptroller-General consequently justified in issuing these Votes after 31st March: meanwhile will issue 141,000 *l.* for Land at Kensington Gore, under the peculiar and exceptional exigency. 5 April. Treasury vindicate their course as according to precedent. 14 April. Comptroller-General has issued these Votes on Treasury undertaking to insert Clause in Appropriation Act. (*Copies of Correspondence appended, No.* 34, *p.* 704.)

(*continued*)

Correspondence Book.			
Vol. 7, p. 323	1853: 8 June	Comptroller-General to Secretary of Treasury.	- - Returns proposed Scrip of Exchequer Bonds, with corrections and observations. (23 June. Treasury reply. Opinion of Law Officers will be taken as to period of Interest on Bonds. 8 July. Treasury send Law Officers' opinion. 9 July. Comptroller will give effect to preceding Letter, but would feel precluded from authorizing Charge or making Issues beyond period stated in Act.) (*Copies of Letters appended, No.* 35, *p.* 708.)
Vol. 8, p. 10	„ 30 July	Comptroller-General to Treasury.	- - Irregular payment into Exchequer of Interest on guaranteed Loan for St. Lucia, without presentation and counter-signature of Specification. Acquittance signed, and Treasury authority requested. (13 September. Treasury approve; similar irregularities will in future be prevented.)
– p. 17	„ 26 Aug.	Ditto to Commissioners of Works.	- - Payments into Exchequer through Paymaster-general, must be distinctly stated to be on account of the Office of Works.
– p. 25	„ 3 Sept.	Ditto to Treasury - -	- - Payments for Ionian Government through Paymaster-general into Exchequer, not made according to Treasury direction. (12 September. Treasury reply, their directions erroneously made.) (*Copies appended, No.* 36, *p.* 711.)
– p. 99	„ 13 Dec.	Ditto to ditto - -	- - On issue of Exchequer Bills for Supply Services not passing through Exchequer Account at Bank of England; amount of premium or discount, affecting Appropriation Act and Exchequer Control, not included in Bank Return of Daily Payments. 11 January 1854. Treasury reply. 13 „ „ Comptroller-general in continuation, and further Correspondence.) (*Copies of Correspondence appended, No.* 37, *p.* 712.)
– p. 120	1854: 11 Jan.	Ditto to Chancellor of Exchequer.	- - Mode of Public Expenditure; attention drawn to. (16 February. Comptroller sends Exchequer Memorandum to Chancellor of Exchequer. 24 March 1855, Comptroller sends Memorandum officially to Treasury.)
– p. 162	„ 21 Mar.	From Chancellor of Exchequer to Comptroller-General.	- - Legality of Issues of 1,750,000 *l.* Supply Exchequer Bills, before commencement of year, on what ground doubted. (22 March 1854. Comptroller-General explains the principle, and that it has always been acted on. Does not understand how the money can have been sent abroad.) 4 April. Memorandum of Comptroller-General; Bills now ready for issue.) (*Copies appended, No.* 38, *p.* 722.)
– p. 183	„ 8 April	Comptroller-General to Treasury.	- - Return from Bank of England of Deficiency Bills for whole amount of Dividends, and new issues for amount required from day to day; special authority requested from Treasury.
– p. 227	„ 14 June	Ditto to Sir C. E. Trevelyan.	- - With Comptroller-General's amendments on Public Revenue Bill. (21 June. From Sir C. E. Trevelyan; amendments adopted.)
– p. 233	„ 19 „	Ditto to Treasury - -	- - Credit for Stationery Office, &c., directed to Paymaster-general, instead of Comptroller of Stationery, or under Treasury Minute of 26 September 1834. (20 June. Treasury reply, directed, intentionally to replace advances from Civil Contingencies.)
– p. 267	„ 1 Aug.	Ditto to ditto - -	- - Comptroller calls attention to discontinuance of Quarterly Consolidated Fund Warrant, and its necessity for Exchequer control. Long Correspondence on the subject. (*Copies of Correspondence appended, No.* 39, *p.* 723.)

Correspondence Books.			
Vol. 8, p. 313	1854: 25 Sept.	Comptroller-General to Treasury.	- - New Charges in Scotland transferred to Consolidated Fund; mode of proceeding to be adopted.
– p. 321	„ 9 Oct.	Ditto to ditto - -	- - Credit for salary of Mr. Romilly, as Chairman of Audit Board, withheld till Patent produced; further involving Exchequer Control in examining and recording Patents, &c. Further and lengthened Correspondence. (13 October 1854. Treasury to Comptroller-General. 31 October „ Comptroller-General to Treasury. 1 January 1855 - - ditto - - to ditto. 9 January „ - - ditto - - to ditto. 6 March „ Treasury to Comptroller with Minute. 22 March „ Comptroller-General to Treasury. 23 March „ - - ditto - - to ditto. 13 June „ Mr. Romilly to Comptroller-General. 14 June „ Treasury to Comptroller-General. 20 June „ Comptroller-General to Treasury. 25 June „ Treasury to Comptroller-General.) (*Copies of Correspondence appended*, No. 40, p. 741.)
– p. 324	„ 11 Oct.	Ditto to ditto - -	- - Salary of Assistant Taxing Master, Ireland, doubly charged. (14 October. Treasury reply, they are aware of it, but there will be no double issue.)
– p. 368	„ 4 Nov.	Comptroller-General to Sir C. E. Trevelyan.	- - On new system of marking, on Treasury issuing Letters the precise hour at which Exchequer Credits are to be lodged at Bank. Care should be taken to allow sufficient time. For example, on 31 October directions were received at 12.55, to grant Credit for 40,000 *l.*; at 2 P. M. on the same day at the Bank.
– p. 371	„ 9 Nov.	Comptroller-General to Treasury.	- - Requesting authority to discharge from Exchequer books, 5,500 *l.* Exchequer Bills overdue and outstanding prior to 1830, declared in Estimate as not necessary to be provided for, and which have been discharged from Paymaster-general's books. (18 November. Treasury question the propriety of discharging them from Exchequer books.)
Vol. 9, p. 8	„ 27 Dec.	Ditto to ditto - -	- - Transfer suspended for salary of P. Shaw, Sheriff of Chancery in Scotland, till information necessary to authorize it, is produced. (13 February 1855. Treasury reply, and explain that an amount previously issued ought to have been returned.) (*Copies appended*, No. 41, p. 756.)
– p. 76	1855: 6 Mar.	Ditto to ditto - -	- - Specifications of receipts from Revenue departments, desired to be discontinued by Treasury, shown by Comptroller to be required under Exchequer Act, and cannot be dispensed with except by authority of Parliament.
– p. 80	„ 6 Mar.	Ditto to ditto - -	- - Royal Orders returned to Treasury as invalid and irregular, being dated previously to Ways and Means Act receiving Royal Assent; their subsequent illegal correction. (*See Précis of Correspondence appended*, No. 42, p. 757.)
– p. 313	„ 11 Mar.	Ditto to ditto - -	- - Issue for Crimean Medals, voted 1856-7, withheld till commencement of financial year.
– p. 333	„ 3 May	Ditto to ditto - -	- - Amount of Royal Order and Treasury Warrant, 21,182,700 *l.* to pay off Supply Exchequer Bills limited under provisions of Funding Act. (5 May. Treasury reply, quite aware of limitation, and issuing letters will be regulated accordingly). In reply to Letter of 29 April. (*See* Comptroller-General's evidence, No. 489.)
– p. 336	1856: 5 May	Comptroller-General to Chamberlain of London.	- - Discrepancy in period of payments on account of rebuilding London Bridge. Under what authority paid through Paymaster-general, and not in conformity with Bonds? (10 May. Chamberlain explains. 7 June. From Chamberlain; renewed application for Exchequer acquittance. (*Copies appended*, No. 43, p. 757.)

DRAFTS of WARRANTS, MINUTES and other INSTRUMENTS, submitted by Treasury for Comptroller-General's consideration.

Minute Book.			
P. 19	1840: 3 July	Comptroller-General's Minute.	- - Consideration of two Draft Treasury Warrants to provide for inadequate Balance in the Exchequer in Ireland to meet Quarterly charges. (*Copy of Minute appended to Cases of Control. No.* 4.)
P. 30	1841: 9 Jan.	Ditto - - - -	- - Draft Treasury Warrant for Compensation to Mr. North, amended. (*Amendment adopted.*)
P. 31	,, 14 Jan.	Ditto - - - -	- - Draft Treasury Warrant for payment to Bank of England, for pains and labour on West India Compensation Loan, amended. (*Amendment adopted.*)
Correspondence Book.			
Vol. 3, p. 52	1842: 26 Jan.	From Mr. Goulburn's Secretary.	- - Draft of proposed Bill for removing restrictions on Appropriation Acts of two last Sessions. (Pp. 52, 53. *Comptroller's Amendments adopted in 5 Vict. Sess.* 2, *c.* 1.)
– p. 72	,, 6 Feb.	From ditto - - -	With printed Bill for re-appropriating Supplies of 1841. (P. 73. *Comptroller's Amendment also adopted.*)
– p. 116	,, 14 Feb.	From Treasury - -	- - With Report of Exchequer Commissioners, and proposed Regulations for preparing Exchequer Bills. (P. 336. *Comptroller's observation on proposed Regulations, all adopted.*)
– p. 232	,, 21 Apr.	From ditto - - -	- - With Draft, Royal Order and Treasury Warrant, for 60,000 *l.* Civil Contingencies, England and Ireland. (P. 232. *Comptroller's Observations. Instrument irregular.*)
– p. 249	,, 28 Apr.	From ditto - - -	- - With Draft of Royal Order and Treasury Warrant, for 90,000 *l.*, to be charged and issued out of Consolidated Fund for Advances for Public Works. (P. 250. *Comptroller's objections; attended to.*)
– p. 256	,, 9 May	From ditto - - -	- - With Royal Order and Treasury Warrant, for issue of Exchequer Bills. (*Form approved of.*)
Vol. 4, p. 164	1843: 24 May	From ditto - - -	- - With Draft of proposed Minute as to uncancelled Irish Public Works Bills. (Pp. 164, 165. *Comptroller-general's Amendments.*)
Vol. 5, p. 2	1844: 3 Feb.	From ditto - - -	With Draft of Exchequer Bill Warrants. (P. 2. *Comptroller-general's approval, with Amendments.*)
Vol. 6, p. 174	1849: 17 Jan.	From Comptroller-General to Chancellor of Exchequer. (*Private.*)	- - With *Draft* of reply to Treasury Minute, 22d December 1848. (P. 190. *The Chancellor of the Exchequer, in reply.*)
– p. 373	1850: 12 Dec.	From Comptroller-General Sir A. Y. Spearman.	With observations on Civil List Warrants and Savings. (*Adopted.*)
– p. 374	,, 18 Dec.	Ditto - - - -	- - With Form of Warrant for Civil List Issues and Savings. (*Adopted. Copy of Letter appended to Cases of Control, No.* 21.)
Vol. 7, p. 57	1851: 28 Apr.	From Treasury - -	- - With Draft Warrant Civil List Savings and Minute, forwarded for approval of Comptroller-general. (Pp. 58, 59. *Comptroller-general's reply and Amendments adopted.*)

Correspondence Book.			
Vol. 7, p. 296 297 298	1853: 30 April	Mr. Masterman - - Mr. Anderson's - -	- - With suggestions for altering the present system of exchanging Exchequer Bills; and, Observations. (P. 298, 301, 299, 302, 300, 303. *Comptroller-general's Observations on the preceding.*) (P. 304. Chancellor of the Exchequer acknowledges Comptroller-general's papers on the above.)
– p. 322 323	„ 7 June	From Mr. Wilson - -	- - With form of Scrip of Exchequer Bonds for Comptroller-general's opinion. (P. 323. *Comptroller-general in reply, partly adopted.*) Pages 329 and 328 on same subjects. *Copies of Letters (appended to Cases of Control, No. 32.)*
– p. 349	„ 19 July	Comptroller-General to Treasury.	- - Returning Draft Warrant for preparing Exchequer Bonds, with Observations.
Vol. 8, p. 2	„ 22 „	From Treasury - -	- - With Warrant and form of Scrip of Exchequer Bonds.
– p. 16	„ 23 Aug.	- Ditto - - -	- - Enclosing Letter from Office of Works; payments into Exchequer to be made through Paymaster-general. (P. 17. *Comptroller-general in reply; suggestions adopted.*)
– p. 217	1854: 6 June	- Ditto - - -	- - With Form of Bond A. and two Draft Warrants, requesting suggestions of Comptroller-general. (P. 216. *Comptroller-general in reply; suggestions acceded to.*)
– p. 230	„ 13 June	- - Ditto - - -	- - With proposed Amendment in Public Revenue Bill. (P. 227. *Comptroller-general in reply, with suggestions.*) P. 236. From Treasury, adopting Comptroller-general's suggestions.
Vol. 9, p. 16	„ 24 Dec.	From Sir A. Y. Spearman	- - Requesting observations on Savings Banks Investments Bills. (P. 10–12. *Comptroller-general in reply, with Observations.*)
– p. 42	1855 7 Feb.	From Mr. Wilson - -	- - With proposed Resolution in Ways and Means Committee on Supplemental Supply Votes. (P. 43. *Comptroller-general in reply, with Suggestions.*)
– p. 239	„ 10 Aug.	- Ditto - - -	- - With Draft Warrant (abbreviated) for Supply, Exchequer Bills. (P. 240. *Comptroller-general in reply, with Observations and Draft Warrant, adopted as amended.*)

INDEX of Copies of Correspondence appended to Cases of Control exercised at the Exchequer.

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(No. 1.)

Excessive Naval Credits.

Office of Comptroller-general, Exchequer,
5 November 1834.

Sir,

Comptroller-general to Treasury, 5 Nov. 1834.

A LETTER of direction from the Lords Commissioners of his Majesty's Treasury has been transmitted to me this day for a credit of 70,000 *l.* to the Treasurer of the Navy, for the service of that department, to which I have, as Comptroller-general, affixed my signature, lest any inconvenience should result from withholding it even for a day.

I feel it, however, to be my duty to request their Lordships' attention to the following facts, as applied to credits given to this and some other departments, without apparent necessity for thus appropriating the public revenue, before the period when the exigency of the services of such department seems to require it, and whilst a considerable portion of the credits before given remains uncalled for.

On the 22d October a credit was given to this department of - -	£. 60,000
On the 30th October a second credit of - - - - - - - -	70,000
Making a Total of - - - - - - - - -	£. 130,000
Out of this, up to the 3d November inclusive, there has been called for only - - - - - - - - - - - - -	50,000
Leaving still uncalled for - - - - - -	£. 80,000

And now, whilst this sum remains uncalled for, but locked up by the former credits, a further credit is called for of 70,000 *l.*, for which the surplus still unapplied would fully provide.

I have, &c.
(signed) *J. Newport*, Comptroller-general.

F. T. Baring, Esq.
&c. &c. &c.

(No. 2.)

Appendix, No. 9.

Excessive Naval Credits, and Effect of Deficiency Bills.

Office of Comptroller-general, Exchequer,
11 February 1835.

Sir,

Assistant Comptroller to Chancellor of Exchequer, 11 February 1835.

The Comptroller-general addressed a letter to the Lords Commissioners of his Majesty's Treasury, on the 5th November 1834, respecting the balances of credits given by him, under directions from the Treasury; and I now beg leave to call your attention more particularly to the subject, believing that if the different Paymasters were instructed to ask for such credits only, as are required by the immediate exigencies of the public service, considerable saving might be effected by the more rapid reduction of the Deficiency Bills, with a consequent diminution of the interest payable on them.

The average weekly balance of credits at the Bank of England for the last four weeks has been 761,890*l.* 3*s.* 1*d.* I am well aware that there must be a balance kept up on each Paymaster's account, but if one-half had been the amount of them, which is large, the remaining half might have been applied to the reduction of the Deficiency Bills, and the interest thereby reduced 22*l.* 19*s.* 2*d.* a day.

To make myself more fully understood, I take the liberty of troubling you with two cases of credits more in detail. On the 31st January there was a balance of credits on the Army account of 386,271*l.* 2*s.* 8*d.*, and the payments upon that account, as returned by the Bank of England, appear as follows:—

	£.	s.	d.
On February 2	85,965	1	–
„ 3	81,433	19	4
„ 4	45,251	4	3
„ 5	8,288	9	7
„ 6	6,024	11	8

Now, had credits been daily given to that Paymaster to meet the daily demands upon him, there would have been a saving of 124*l.* 7*s.* 5*d.* interest on Deficiency Bills, by the difference being applied to their more rapid reduction; or even had a credit been given to the Paymaster on the 31st, for the whole of his payments during the following week, which amounted to 176,963*l.* 5*s.* 10*d.*, the balance, 209,307*l.* 16*s.* 10*d.*, might have been applied on the 31st to the reduction of the Deficiency Bills, and the seven days' interest, 91*l.* 11*s.* 6½*d.*, saved on that amount.

Again, by the 10 Geo. 4, c. 27, s. 3, one-fourth part of the actual annual surplus is to be applied to the reduction of the National Debt.

On the 11th October last, a credit was given to the Commissioners of 344,257*l.* 8*s.* 8*d.* upon which, by the returns, they drew as follows:—

	£.	s.	d.
October 14	12,590	12	10
„ 15	12,177	–	–
„ 16	12,535	7	6
„ 17	12,436	15	–
November 20	10,136	5	–
„ 21	12,322	10	–
„ 25	12,359	7	6
„ 26	12,328	2	6
„ 27	12,458	5	–
„ 28	12,359	7	6

On this day the Deficiency Bills were entirely paid of.

Now, had credits been only given as the gradual reduction was made, and the difference at once applied to setting off the Deficiency Bills, the charge for interest on them in that quarter would have been diminished 855*l.* 6*s.* 5*d.*; and it is further to be observed, that by the Bank returns, it would appear that the Commissioners only required 121,703*l.* 12*s.* 10*d.* up to November 28; so that if this credit had been simply divided into two payments, as was the case in the quarters ending 10 October 1830, January 5 and April 5, 1831, the difference, 222,553*l.* 15*s.* 10*d.*, would not have been issued in Deficiency Bills, and the 48 days' interest on that sum might have been saved, 667*l.* 13*s.* 2½*d.*

I am, &c.
(signed) *Arthur Eden*, Assist. Compt.

The Right hon.
the Chancellor of the Exchequer,
&c. &c. &c.

Sir,

Whitehall, 14 February 1835.

Chancellor of Exchequer to Assistant Comptroller, 14 Feb. 1835.

I will for the present content myself with the acknowledgment of the receipt of your letter of the 11th February, and the assurance that I will give the important subject to which it refers immediate consideration.

I have, &c.
(signed) *Robert Peel.*

Arthur Eden, Esq.
&c. &c.

Appendix, No. 9.

(No. 3.)

Excessive Charge for Diplomatic Services.

Comptroller-general to Chancellor of Exchequer, 3 January 1840.

My dear Sir, Whitehall-yard, 3 January 1840.

I THINK it may not be without advantage to the public service if I call your attention, in a semi-official manner, to a branch of the expenditure charged on the Consolidated Fund.

By the arrangements made on the accession of his late Majesty, a fixed charge was placed on the Consolidated Fund to answer the Diplomatic Service. This charge was necessarily a maximum; and, looking at an account which has been prepared in this office, the difference between the amount paid and that which might have been charged, from October 1834 to October 1839, is no less than 28,851 *l.* 10 *s.*

Perhaps, after a certain time, when it is ascertained how the account actually stands, and when it it shown that the whole sum required for the service of any particular year has been issued, it might be expedient that the balance between that sum and the maximum charge should be struck off, as not being a sum which will be called for. By this means the accounts will be simplified, and no imaginary and useless charge will be carried forward.

I trust I shall stand excused in having brought this matter under your consideration, and that in doing so I may not appear to you to have exceeded my duty.

The Right hon.
the Chancellor of the Exchequer,
&c. &c. &c.

I have, &c.
(signed) *Monteagle.*

(No. 4.)

Inadequate Balance in Ireland to meet Quarterly Charge.

MEMORANDUM.

3 July 1840.

Comptroller-general, 3 July 1840.

IT is of course the province of the Treasury exclusively, and not mine, to consider how the case of deficiency in Ireland, as stated in my letter of yesterday's date, had best be met, the responsibility of preparing the warrant for my subsequent consideration resting exclusively with that department.

But, in furtherance of the public service, I have given my best attention to the two drafts which have been submitted to my consideration, and shall proceed to make the suggestion which occurs to me as being that which it may be most desirable to adopt.

In this, or any similar case, the most legitimate way of meeting the difficulty is, not by providing for the deficiency when it has occurred, but by preventing that deficiency from occurring. It appears to me, therefore, that where from deficiency of income or increase of expenditure in Ireland, a deficiency may be apprehended, it would be prudent, in place of directing payments for Army and Ordnance in Ireland, to make those payments here to the Paymaster-general, by whom they could be transferred at the Bank of England to the Irish account. In this way the Exchequer Account in Ireland would be husbanded, and an adequate balance kept at the close of the quarter to meet the dividends and other charges on the Consolidated Fund.

But it is now too late to resort to this process, and it becomes necessary to act on another principle.

The Papers (A.) and (B.) contain two separate proposals.

(A.) The one is a draft warrant, which, referring to the warrant of the 4th July, which is already before me, and which authorises the payments of dividends due in Ireland on the 5th instant, directs that the sum of 374,158 *l.* 3 *s.* 3 *d.* be transferred to the account of the Bank of Ireland, in order to meet so much of the first warrant, for which adequate funds would not be otherwise provided.

(B.) The other form is a warrant simply directing the transfer of £. from the balance of the Exchequer Account with the Bank of England to the Consolidated Fund Account in Ireland, without reciting the object or appropriation of the sum so transferred.

It appears to me essential that the Warrants should be precise and determinate, and should, as far as it is possible, correspond strictly with the directions and authority issued by me to the Bank of Ireland.

The state of the Irish Account, as reported to me this morning, is as follows:

	£.	£.
Balance to 27th June - - - - - -	377,322	
Receipts to Wednesday - - - - -	43,000	
		420,322
Out of this sum is to be deducted the issues to this day - -		44,282
Available balance, as advised, to this day - - - £.		376,040

On the 5th July 1839, the schedules of the charges on the Consolidated Fund amounted to about 70,000 *l.* Assuming that the amount of this charge will be about similar on the present

present occasion, I should submit that the transfer to be directed from England should be to that precise amount, that the warrant for such transfer should recite the s. 1, 56 Geo. 3, c. 98; that it should further recite, that the payments set forth in the schedules are charges on the Consolidated Fund of the United Kingdom, and should authorise me to direct a transfer to the Bank of Ireland for making these payments. Appendix, No. 9

I must infer that Parliament, in making the dividends and other payments a charge upon the Consolidated Fund of the Empire, intended to vest the Treasury and the Exchequer with the means of carrying the contract into effect by a transfer of funds, when necessary, from the one country to the other.

(signed) *Monteagle*, Comptroller-general.

(No. 5.)

Charge for Irish Officers attending Parliament.

Office of Comptroller-general, Exchequer,
13 July 1840.

My Lords,

My attention has been lately called to a charge issued out of the Consolidated Fund in Ireland, under the Act 41 Geo. 3, c. 32, which appears to me open to much objection, if it be not distinctly contrary to law, and which I therefore submit to your Lordships, should be in future excluded from your Lordships' quarterly warrant. Comptroller-general to Treasury, 13 July 1840.

The sum to which I allude, is the issue of 1,938 *l.* 5 *s.* 4 *d.* which is paid to the Receiver of Fees in your Lordships' office, and which is carried to the credit of the Treasury Fee Fund.

This sum was originally granted to "pay the necessary allowances to certain officers from Ireland attending during the Session of Parliament in London, and to such other officers as may be employed in preparing proceedings and attending to business in Parliament relating to Ireland."

The issue is now applied to the general Fee Fund of the Treasury; no such services as those contemplated in the Act being now performed or necessary to be provided for.

I doubt whether I can be warranted in sanctioning a continuance of this payment in future, and shall be glad to be favoured with your Lordships' opinion thereon.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

(No. 6.)

Legal Construction of Act for Annuity to Bank of Ireland.

29 December 1840.

NOTE on the Treasury Memorandum respecting the Payment of the Bank of *Ireland* Annuity under the 3 & 4 Vict. c. 75, s. 2. Comptroller-general, 29 Dec. 1840.

The words of the Act on which the decision turns are the following:

Provided always, that the payment to be made on the 5th January 1841, shall be only a proportionate part of the said annuity of 115,384 *l.* 12 *s.* 4 *d.* for the period that shall have elapsed from the passing of the Act (7 August 1840), to the said 5th January.

The first object of this part of the Act was to consolidate the existing Bank of Ireland Annuities into one annuity of 115,384 *l.* 12 *s.* 4 *d.*, redeemable on certain conditions. A consequent and necessary provision was to fix the time of payment, including the broken period.

But it is clear that no greater or less amount was contemplated to be paid under the new than under the old system.

I should, therefore, construe the word proportion to mean such a sum, as, together with a sum received on account of the separate annuities for the period from 5th January 1840 to 7th August 1840, shall make up the sum of 115,384 *l.* 12 *s.* 4 *d.*

Any other construction would make the payments for 1840 greater than even in the years anterior, and the years subsequent, which is absurd.

As the Bank of Ireland puts the question upon the construction of the Act of Parliament, and as the Treasury may naturally feel a delicacy in deciding in their own favour, being at once judges and parties, I should recommend the opinion of the Crown lawyers to be taken.

(signed) *Monteagle*, Comptroller-general.

Appendix, No. 9.

(No. 7.)

Indiscriminate Issues of Ways and Means, granted in the two Sessions of 1841, and Irregularity in Royal Orders for second Session, dated previously to Ways and Means Acts.

From Treasury, 15 October 1841.

My Lord, Treasury Chambers, 15 October 1841.

THE Lords Commissioners of Her Majesty's Treasury desire that you will authorise the Governor and Company of the Bank of England to grant out of the General Fund of the Exchequer at the Bank a credit of 10,000 *l.* for principal of Exchequer Bills, pro anno 1841–2, to Edward Henry Nevinson and John Henry Latham, Esqrs., Paymasters of Exchequer Bills, on account of the sum of 21,626,350 *l.*, set forth in the Royal Order and Treasury Warrant, bearing date respectively 25th May 1841, and that you will charge the same in the accounts of your department as an issue out of any money arising from the funding of Exchequer Bills, per Act 5 Vict. c. 8, pro anno 1841–2.

I am, &c.
(signed) *G. Clerk.*

(Immediate.)

Comptroller-general to Treasury, 15 October 1841.

My Lords, Comptroller-general's Office, 15 October 1841.

I HAVE the honour to acknowledge the receipt of your Secretary's letter of this date, desiring that I should authorise the Governor and Company of the Bank of England to grant out of the General Fund of the Exchequer a credit of 10,000 *l.* to the Paymasters of Exchequer Bills, on account of the sum of 21,626,350 *l.* set forth in the Royal Order and Treasury Warrant of the 25th May 1841, charging the same as an issue out of any money arising from the funding of Exchequer Bills, per Act 5 Vict. c. 8.

Having referred to the 21st section of the Act in question, I perceive that it is provided that "all sums of money which shall be so subscribed and paid in" are appropriated to the services granted in the last Session of Parliament, and, as it appears to me, are legally applicable to such services only.

If this construction of the statute be correct, the direction contained in your Lordships' letter of the 15th cannot be complied with.

I have, &c.
(signed) *Monteagle,*
Compt.-genl.

The Lords Commissioners of H. M.'s Treasury, &c. &c. &c.

Comptroller-general to Chancellor of Exchequer, 22 October 1841.

My dear Sir, Exchequer, 22 October 1841.

I RETURN the papers which you were so good as to have given me, and I have considered the whole question with the most anxious desire to forward the views of the Treasury, if I could persuade myself that I was justified in so doing by the directions contained in the Acts of Parliament.

I have also consulted the oldest and most experienced of the officers of the Exchequer, not even confining myself to those who are now in the public service, and they all concur in the view which I most reluctantly felt myself compelled to take of the subject in my letter to the Treasury of the 15th instant.

I will show you where I think the precedent to which you refer me, and which is also stated in Mr. Brooksbank's memorandum, fails in its analogy; even supposing that if the analogy were precise, it would release me from the obligations of the 4 Will. 4, c. 15.

All the Ways and Means Bills *before* the dissolution in 1830 recite specifically that the object of the grants is for the service of *the year* 1830 (11 Geo. 4, c. 2, 19, 28, and 63.)

The clause to which you refer strikes me rather as an enabling than a restraining clause, authorising the issue upon Resolutions of the House of Commons, which could not otherwise take place until the sanction of the Appropriation Act was first obtained.

All the Ways and Means Acts after the dissolution are to the same effect, and recite the object to be for the service of *the year* 1830. 1 Will. 4, c. 1 and 5.

Now, in 1841 the case is different, so far as relates to the Acts passed *after* the dissolution.

Before the dissolution, the sums provided by the 4 & 5 Vict. c. 4 and 53, are stated to be *for the service of the year* 1841; but in the two Acts passed after the dissolution, no reference is made in the enactment of the year but to the services voted during the *Session* only.

In this 5 Vict. c. 8, s. 21, the monies paid in are directed to be applied to such services as shall have been *granted in this Session of Parliament.* In s. 24, the money received by sale of stock is in like manner appropriated to "such services as shall have been granted *in this Session of Parliament.*" So in the Appropriation Act, in which the provision is made towards "raising the Supplies granted *in this Session of Parliament*;" and by the further enactment, s. 8, the monies received under the former Act (5 Vict. c. 8) there are specifically appropriated to the several votes which are recited *seriatim.*

Now it appears to me that the cases are distinguishable, even without referring to the vote of 3,253,882 *l.* in 1830, to make good supplies voted in the preceding Session, which sums are covered by a corresponding vote in Ways and Means.

Therefore

Therefore the case stands simply thus: Are monies provided in the Session, after the dissolution, legally applicable to services voted before the dissolution?

As you suggest, I shall prepare a case, and transmit it through you for the opinion of your law advisers.

Believe me, &c.

The Right Hon. the Chancellor of the Exchequer, &c. &c. &c.

(signed) *Monteagle.*

Case for Opinion of Law Officers.

A DOUBT has arisen respecting the construction of the Revenue Acts passed in the present year 1841, which renders it necessary for the Comptroller-general of the Exchequer, acting under the Statute 4 & 5 Will. 4, c. 15, to obtain the opinion of the law advisers of the Crown.

4 & 5 Will. 4, c. 15.

The authority of the Comptroller-general is entirely derived under this Act, and his duties are also thereby clearly prescribed.

By sect. 6, it is enacted, that whenever any sums of money shall have been granted to his Majesty by any *Act* of Parliament or *vote* of the House of Commons for any specified branch of the public service, and ways and means shall have been granted for making good the same, his Majesty may issue a Royal Order requiring the Comptroller-general to place to the credit of the Public Accountant in the respective branch or service the amount of the sum so *granted* or *voted*, at such times and proportions as the Commissioners of the Treasury shall direct; and such Royal Order is to contain a reference to the particular Act or vote of Parliament, and shall, after being recorded at the Treasury, be transmitted to the Comptroller to be entered in his office, "the said Comptroller having first satisfied himself that the said order has been made in conformity with, and has not exceeded, the amount of the grant of Parliament."

By the section 12, the Commissioners of the Treasury are authorised to issue these warrants to the Comptroller, requiring him to transfer to the respective officers of the public departments such sum as shall be requisite for the respective services; and every such warrant shall recite the substance of the Royal Order upon which it is founded, referring to the Act or vote therein mentioned, and shall specify the total amount of the monies authorised by such order, and the credits, if any, which shall have been previously issued on account thereof, and the balance remaining to be issued; and the Comptroller is to compare such warrant with the Royal Order and preceding warrants, and satisfy himself that such warrant has been made in conformity with, and has not exceeded, the Royal Order.

The powers of the Comptroller-general being thus defined, to make the case more clear as to the points on which the opinion of the law advisers of the Crown is desired, it is necessary to class the general Statutes of the *present* year 1841, referred to, under two heads—1st, those passed in the *present* Session of Parliament.

CLASS I.—ACTS PASSED BEFORE THE DISSOLUTION.

4 Vict. c. 4. The title of this Act is, "An Act to apply 8,000,000 *l.* out of the Consolidated Fund to the Service of the Year 1841."

Sect. 1. By this section, 8,000,000 *l.* were granted from the Consolidated Fund, to be issued and applied towards making good the supply granted to Her Majesty "for the *service of the year* 1841."

Sect. 7. The Treasury are authorised to issue this sum for any services voted by the Commons during that Session of Parliament.

4 Vict. c. 19. The title of this Act is, "An Act for raising 11,000,000 *l.* by Exchequer Bills, for the Service of the Year 1841."

Sect. 1. By this section, 11,000,000 *l.* Exchequer Bills were authorised to be issued towards raising the supplies granted in that Session of Parliament.

Sect. 3. The Treasury was authorised to apply this money to services voted in that Session of Parliament.

This was for the exchange of Exchequer Bills, which was wholly executed during that Session.

4 & 5 Vict. c. 53.

Sect. 1. By this section, 6,200,000 *l.* are granted from the Consolidated Fund towards making good the supply granted for the service of the year 1841.

Sect. 7. The Treasury are authorised to issue and apply this sum for services voted by the Commons in that Session of Parliament.

Sect. 10. By this section, the 8,000,000 *l.*, the 11,000,000 *l.* Exchequer Bills, 6,200,000 *l.*, (with other specific sums) so granted, are strictly limited and appropriated to the several special uses or services thereinafter expressed; and then follows a list of the various grants made in that Session of Parliament.

Sect. 21. Declares that the aids and supplies provided as aforesaid shall not be issued or applied to any other use, intent or purpose whatsoever.

CLASS 2.—ACTS PASSED AFTER THE DISSOLUTION.

5 Vict. c. 8. This Act is intituled, "An Act for funding Exchequer Bills, and for making Provision for the Service of the Year 1841."

The object of the Act in the section 1st, is stated to be for making provision to satisfy the principal sum contained in certain Exchequer Bills, to the amount of 5,000,000 *l.*, and to raise the *necessary supplies* granted in *that Session* of Parliament.

Sect. 4 allows subscribers to contribute money, as well as Exchequer Bills.

Sect. 21 enacts, that the Treasury shall issue and apply all monies subscribed and paid into the Exchequer to such services *as shall have been granted in that Session of Parliament.*

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Sect. 24 enacts, that stock may be created and sold, and the monies arising from such sale are to be paid into the Exchequer, to be applied to such services as shall have been *granted in* that Session of Parliament.*

5 Vict. c. 11. This Act is intituled, "An Act for raising 10,626,350 *l.* Exchequer Bills for the Service of the Year 1841, and for appropriating the Supplies granted in this Session of Parliament."

Sect. 1. Stating the object to be "towards raising the supplies granted in this Session." The Treasury are authorised to issue out 10,626,350 *l.* in Exchequer Bills.

Sect. 3 enacts, that the Treasury shall apply all sums raised by such bills to such services as shall have been voted by the Commons in *this Session of Parliament.* Sect. 8 enacts, that the monies received under the 5 Vict. c. 8, and the 10,626,350 *l.* under this Act, shall be and are thereby appropriated to the several uses and purposes thereafter expressed; and then a list of the various grants made in that Session of Parliament follows,† including 24,896 *l.* to make good supplies granted last Session.

Sect. 17 enacts, that the aids and supplies provided as aforesaid shall not be issued or applied to any other use, intent or purpose, but those mentioned.

It is observable that the words "for the service of the year 1841," are repeated in the first section of the Acts passed prior to the dissolution, whilst in the Acts passed after the dissolution these words are then omitted; but the *restrictive* words in the appropriated clauses in all are the same, that is, to services either voted or granted "in this *Session of Parliament.*"

The questions on which the opinion of the law officers of the Crown is requested, are the following:

1st. Whether, according to the meaning of these statutes, the Comptroller-general can legally authorise the monies paid to the Exchequer under the 5th Vict. c. 8, s. 21 & 24, to be issued and applied to services *not* voted or granted in the last Session of Parliament, but to services voted or granted in the Session before the dissolution.

2d. Whether any of the funds provided either under the 5th Vict. c. 8, or under the 5th Vict. c. 11, can, according to the true construction of these statutes, be issued and applied to services not voted in the last Session, but to services voted before the dissolution.

3d. Whether the funds provided under the 4 Vict. c. 4, and 4 & 5 Vict. c. 19 and c. 53, passed before the dissolution, can legally be issued and applied to services voted after the dissolution, and provided for by the 5 Vict. c. 8 and c. 11.

My Lord, Treasury Chambers, 27 October 1841.

Treasury to Comptroller-general, 27 October 1841.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit to you the enclosed copy of their Minute on the subject of your Lordship's letter to them of the 15th of this month, respecting their direction of an issue to be made by your Lordship from the funds of the Exchequer of 10,000 *l.* for the payment of principal of Exchequer Bills.

I have, &c.

To the Right Hon. Lord Monteagle, &c. &c. &c.

(signed) *Thomas F. Fremantle.*

COPY of TREASURY MINUTE, dated 27 October 1841.

Treasury Minute, 27 October 1841.

MY Lords have before them the letter of the Comptroller-general of the Exchequer, dated the 15th instant, stating that having received a letter from one of the Secretaries to this Board, desiring that he would authorise the Governor and Company of the Bank of England to grant out of the general fund of the Exchequer a credit of 10,000 *l.* to the Paymaster of Exchequer Bills, on account of the sum of 21,626,350 *l.*, set forth in the Royal Order and Treasury Warrant of the 25th May 1841, charging the same as an issue out of any money arising from the funding of Exchequer Bills, per Act 5 Vict. c. 8; and that having referred to the 21st section of the Act in question, he perceives that it is provided that "all sums of money which shall be so subscribed and paid in are appropriated to the services granted in the last Session of Parliament, and, as it appears to him, are legally applicable to such services only;" and that if this construction of the statute be correct, the directions contained in the letter from this Board cannot be complied with.

It appears to my Lords that the doubts which have been raised by the Comptroller-general as to the issue of the particular sum of 10,000 *l.* on account of the Royal Order of May 1841, involve a more material question than the mere issue of the sum to which he refers in his letter.

The real point which that letter raises, and on which my Lords are to decide, is whether the sums granted as ways and means in one or other of the two Sessions of the year 1841, are to be applied exclusively to the services voted in one or other of those Sessions respectively, or whether the ways and means of the two Sessions are not indiscriminately applicable to the services of the year 1841, without distinction as to the Session of that year in which those services may have been voted.

My

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* *Note.*—This arises from the Acts passed before the dissolution, and does not refer to votes of the House of Commons out of Grants of Parliament, *i. e.*, the Act of the Legislature.

† In this list is a grant of 24,896 *l.* to make good supplies granted in the *last* Session of Parliament.

My Lords consider that the decision of this question turns, first, upon a just view of what were the real intentions of Parliament with respect to it in the year 1841; and secondly, upon the practice of the Treasury and the Exchequer in previous cases of precisely similar occurrence; and my Lords are disposed to attach great weight to precedent in such a case, from a sense of the inconvenience which cannot fail to result from giving to legal enactments new constructions at variance with those which have been previously acted on, thereby causing great uncertainty in the financial administration of the country.

My Lords would observe that it is the usual course of Parliament, in each Session, after voting, by *Resolutions* of the House of Commons, several items in supply towards the expenditure services of the current year, to provide by *Acts* of Parliament the ways and means for defraying such expenditure.

These *Resolutions* and these *Acts* all merge and are embodied in a General Act passed at the end of the Session, called the Appropriation Act, in which all the Ways and Means Acts are recited, as well as the Resolutions for the Expenditure; and the money "coming into the Exchequer" under those Ways and Means Acts is further and specially appropriated by this last Act to the several items of expenditure previously sanctioned by the Resolutions of the House of Commons.

It also contains a restrictive clause, usually expressed in the following words: "And be it "hereby also enacted, that the said aids and supplies provided as aforesaid, shall not be "issued or applied to any use, intent or purpose whatever, other than the uses, intents and "purposes before mentioned, or for the other payments directed to be satisfied thereout by "any Act or Acts, or any particular clause or clauses for that purpose contained in any "other Act or Acts of this Session of Parliament."

In the usual course, all the Ways and Means Acts, and all the Resolutions of expenditure, *for one and the same year*, are comprised in one Sessional Act, and the words "*granted in this Session*," have, therefore, in such cases, the same meaning and effect as if they were "*granted for the service of the year*."

It has only happened on two occasions that the services *for the same year* have been divided and provided for by two Appropriation Acts. This happened in the year 1830, after the death of King George 4, and in the present year.

There appears to be no difference whatever in *principle*, or in words, between the Appropriation Acts in the year 1830 and those in the present year, nor can any distinction be made as to the intentions of Parliament in those two years.

My Lords have, therefore, to consider what those intentions were, in what manner they were fulfilled by the Treasury and Exchequer in 1830, and whether there be any sufficient reason why the construction given by the Treasury and Exchequer to the Appropriation Acts of 1830 should be departed from on the present occasion.

The two Appropriation Acts for the service of the year 1841 (viz. 4 & 5 Vict. c. 53, and 5 Vict. c. 11,) were passed under circumstances well known to every one, and the intentions of Parliament in passing them could not be mistaken.

In examining, therefore, the precise words of the Acts with a view to fix their real meaning, it is important not to lose sight of the known intentions of Parliament, as explanatory of words which might perhaps otherwise be doubtful.

These intentions of Parliament were, in the year 1841, as in the year 1830, to provide by ways and means for the expenditure granted for the service of those years respectively.

The titles of the Appropriation Acts of the year 1830 were, to apply a sum of £. to the service of the year 1830, and to appropriate the supplies granted in this Session of Parliament.

The titles of the Acts of the year 1841 were, to raise a sum of £. for the service of the year 1841, and to appropriate the supplies granted in this Session of Parliament.

In 1841, as in 1830, the first Session was brought to a close before the *whole* of the ways and means could be provided, and before the *whole* of the expenditure or supplies could be granted for the year, and an Appropriation Act was in each year passed, comprising in it the several grants in ways and means and supply for a portion of the services of the year only, leaving the remaining portion to be provided for and granted in the ensuing Session; and such remaining portion for the service of the year having been granted in the ensuing Session, there could not exist a doubt that Parliament intended to provide, in the *ordinary course*, both for the ways and means and supplies of the whole year as effectually by the grants of the two Sessions as if there had been but one Session.

My Lords further remark, that no doubt whatever appears to have existed on the subject in 1830, and no legal opinion was thought necessary by Lord Grenville, then Auditor of the Exchequer, nor by Lord Grey, then First Lord of the Treasury, to justify the indiscriminate application of the grants in both Appropriation Acts to the general services of the year 1830, without restriction as to the particular heads of expenditure to which they were specially allotted by the separate Appropriation Acts of the two Sessions.

In the present year, so far as my Lords are aware, nothing has occurred from whence it can be inferred that Parliament did not intend to act strictly according to the precedent of 1830, to which no objection had ever been raised, and to provide in *the usual manner* for the services of the year 1841, notwithstanding the division of the services occasioned by the two Appropriation Acts.

My Lords further observe, that one payment has already been made by the Exchequer out of the grant of ways and means of the 1st Session of this year to defray a service voted in the 2d Session, and they cannot see on what ground objection is now made to defraying a service voted in the first Session out of the ways and means of the second. It appears to my Lords that the principle involved in both payments is precisely the same.

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Considering, therefore, the intentions of Parliament in 1841, the practice of the Treasury and Exchequer in the year 1830, and the issue from the Exchequer which has already this year been made in conformity with that practice, my Lords are of opinion that they should not be justified in acquiescing in the view which the Comptroller-general has taken of this subject, nor in sanctioning a new interpretation of the words in the Appropriation Acts, which would to a degree impede the public service, and might materially affect the public interests.

(Immediate.)

My Lords, Exchequer, 4 November 1841.

Comptroller-general to Treasury, 4 November 1841.

I HAVE received your Lordships' Minute of the 27th ultimo, on the subject of the objection which I had most reluctantly felt myself compelled to raise against the execution of your Lordships' direction, commanding me to make an issue out of the sums levied or received under the 5 Vict. c. 8, an Act of the *present* Parliament, in payment of services voted in the last Session of the *late* Parliament.

I have perused the Minute with all the respect which is due to your Lordships' superior wisdom; and it is with the utmost pain, and with an humble consciousness of my own fallibility, that I am still constrained to adhere to my opinion, and most reluctantly to differ from your Lordships' judgment.

The Treasury Minute of the 27th October extends the question which I had raised to a much larger one, connected with it most undoubtedly, but one which it does not necessarily include. I had only taken the liberty of submitting my opinion that sums raised under the 5th Vict. c. 8, being specially appropriated to grants of the *present* Parliament, could not, by law, be issued by your Lordships to services voted in the *late* Parliament; but your Lordships have called on me to consider whether all the sums provided for the public service in 1841 should not be considered as consolidated, and issuable indiscriminately to services voted both before and after the dissolution.

I shall proceed to consider your Lordships' Minute, and shall observe upon it with that freedom which I entreat your Lordships to consider as perfectly compatible with the respectful deference which I feel to be due to your Lordships' judgment and authority.

The reasoning of the Minute is founded (1) on the supposed intention of Parliament, as explanatory of the several statutes referred to; and (2) on the authority of usage and precedent, as proving the mode in which similar Acts of Parliament had been construed by the Treasury and Exchequer in former time. I shall deal with these two arguments separately.

1. Your Lordships call my attention, in the first place, to a "just view of the real intentions of Parliament," and to the application of these intentions, as the rule by which I am to be governed.

I most humbly submit to your Lordships that I should set at nought all the obligations imposed on me by the statute constituting my office, if I were to substitute, for the just and legal construction of an Act of Parliament, a reference to the supposed intention of its framers. With the most sincere deference to your Lordships, and in profound humility, I venture to suggest that the only interpretation which I am at liberty to put on the statute law of the land, is that which would be given to that statute law by courts of justice. I am unwillingly constrained to differ from your Lordships, believing that it is solely by the legal import of the statute that I must be governed. If the principle of construction suggested by your Lordships were adopted, I should tremble at the consequences to which it might lead in respect to the functions of any Comptroller-general. If the intentions of Parliament are to be referred to as a guide, the Government or the Comptroller must assume the right of interpretation. Either supposition would be dangerous. Upon the Comptroller-general's belief of what were the intentions of Parliament, that officer might refuse to abide by the true interpretation of the statute law; he might capriciously impede the public service, and resist the authority of your Lordships' Board, all-powerful as it should ever be with this office, when its functions are exercised according to law. The construction of the law would vary with the varying judgments of successive Comptrollers, and there would necessarily ensue the very evil your Lordships, with so much wisdom and justice, deprecate, "a great uncertainty in the financial administration of the country." The case would involve further and more serious constitutional objections, if the Government of the day, or the framers of these laws, were to be recognised as organs and expositors of the statute laws. Such a doctrine would not only lead to all the uncertainty to which your Lordships have adverted, but it would also subvert the independence of the office I have the honour to hold. I am therefore led irresistibly to the conclusion, that, strictly defined as are my duties, I must consider these statutes as their own expositors, not seeking, in the supposed intentions of Parliament, for any rule of construction, where the plain and evident meaning of the enactment can be understood.

2. I now proceed to consider your Lordships' second argument, founded on *usage* and *precedent* of the Treasury and of the Exchequer. No person can look up to the authority of usage with more respect than I do; but to give it that authority, usage must surely be proved to have been ancient and continued; or at least to have occurred under unchanged laws and unaltered circumstances.

My Lords, I submit with all deference (1) that the precedents quoted in the Treasury Minute are insufficient, even if in point; and I further humbly submit, that even if they were sufficient, they are inapplicable.

I submit

I submit also (2) that the state of the law is no longer what it was in 1830; and,

(3) That the Appropriation Act and Ways and Means Acts passed in 1830 and 1841 differ from each other in their language and in their enactments; and cannot, therefore, legally be considered to have the same force and effect.

It is surely obvious that two modern precedents, even if in *point*, can scarcely be considered any evidence whatsoever of practice and of usage. I can assure your Lordships that I look with the same respect which is implied in the language of the Treasury Minute, both to the high authority of Lord Grey, and to the venerated memory of Lord Grenville. I, in common with your Lordships, feel persuaded that the one would never have given, nor the other have executed an illegal order. But your Lordships will observe, that in the interval between 1830 and 1841 the statute regulating my office has passed, and that it is by that Act that I am bound. It is not, therefore, by any precedent anterior to 1834 that I can be governed, unless it be consistent with the Act of 1834. It is the duty confided to me by the Act of 1834 that I must endeavour, however inadequately, to execute.

It is true that the case has occurred of a single issue during the present year adverted to by your Lordships, by which a grant of ways and means of the late Parliament has been applied to a service voted in the present. Your Lordships, however, will see that the case raised by me is not whether a service of the second Session may be defrayed out of the ways and means of the first, voted, as the latter grants specifically were, *for the service of the year* 1841, (*see* 4 & 5 Vict. c. 4, s. 1, and 4 & 5 Vict. c. 53, s. 1); the question I put is, whether ways and means, in the last Session, provided "for services granted during *that Session of Parliament*," (*see* 5 Vict. c. 8, s. 21, 24, and 5 Vict. c. 11,) can legally be issued and applied to services voted in another and a previous Session of another and a preceding Parliament. But even if this single issue had been inconsiderately made, and made in deference to a Treasury Warrant, which might *primâ facie* be supposed to have been issued according to law, that single issue is far from being conclusive. Your Lordships would feel that I should be totally unworthy of any favourable consideration, if, being convinced of error, I were not ready frankly to confess a mistake, if I had made one, rather than obstinately to persevere in a recognised error. Besides which, that issue was one made before the passing of the Appropriation Act; and it is on the wording of that Act, subsequently passed, that the difficulty has arisen.

But I am not without some hopes that I can make it appear to your Lordships, by a precise comparison of the enactments in 1830 and 1841, that even if that precedent were authoritative, still it did not apply on the supposition stated by your Lordships. The Treasury Minute asserts that "there is no difference whatever in principle, or in words, between the Appropriation Acts of 1830 and 1841." Oppressed as your Lordships must be with the weight of arduous and most important duties, it is possible that the distinction between the two cases may have escaped you.

It is quite true that in 1830, as in 1841, there were two Sessions; the first Session in each year being followed by a dissolution. It is true that supplies and ways and means were voted in each Session, and an Appropriation Act passed. Thus far, I entirely concur with your Lordships in thinking the cases not only similar, but identical. But this identity of 1841, as compared with 1830, loses all its force, if it can be shown that the enactments of the second Appropriation Act of 1830 differ essentially in language and import from those of the Act of 1841, and therefore can neither legally nor logically have the same meaning. The simplest method of bringing this under your Lordships' observation is to exhibit two series of enactments in parallel columns.

Acts of 1830. Before the Dissolution.	Acts of 1841. Before the Dissolution.
11 Geo. 4, c. 11, s. 1:	4 & 5 Vict. c. 4, s. 1:
Be it enacted, &c., that there shall be issued and applied for and towards making good the supply granted to His Majesty, *for the service of the year* 1830, 4,000,000 *l.* from the Consolidated Fund, &c.; and the Treasury authorised and empowered to issue and apply the same *accordingly*.	Be it enacted, &c., that there may be issued and applied towards making good the supply granted to Her Majesty, *for the service of the year* 1841, 8,000,000 *l.*, &c.; and the Treasury authorised and empowered to issue and apply the same *accordingly*.
11 Geo. 4, c. 4, s. 1:	
Be it enacted, that there shall be issued *for the service of the year* 1830, *&c.*	
11 Geo. 4, c. 28, s. 1:	
Be it enacted, that there shall and may be raised and applied towards *making good the services of the year* 1830, *&c.*, 4,000,000 *l.*, &c. &c.	
11 Geo. 4, c. 63 (Appropriation Act):	4 & 5 Vict. c. 53 (Appropriation Act):
Be it enacted, that there shall be issued and applied towards raising the supply granted *for the service of the year*, &c., 1,500,000 *l.*, &c.	Sect. 1. Be it enacted, that there may be issued and applied for making good the supply granted *for the service of the year* 1841, &c.

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Acts of 1830. Before the Dissolution.	Acts of 1841. Before the Dissolution.
Sect. 18. Certain specified sums voted for nine months only.	Sect. 19. Contains specified services provided for six months only; 1,634,791 *l.* for the Commissariat in Canada, Civil Contingencies, and Miscellaneous Services.
Sect. 20. Votes not to be applied for any purpose but that for which they were voted, &c.	Sect. 20. Votes not to be applied to any purpose but those for which they were voted.
1 Will. 4, c. 1, s 1:	5 Vict. c. 8, s. 1 (For Funding Exchequer Bills):
Be it enacted, that there shall be issued and applied towards making good the supplies granted for the service of the year 1830, 3,000,000 *l.*, &c.; and that the Treasury be authorised to issue and apply the same accordingly.	Sect. 4. Subscribers allowed to pay money in lieu of Exchequer Bills. Sect. 21. The Treasury may apply all such sums to such services as shall have *been granted in this Session of Parliament.* Sect. 24. Stock may be created and sold, and the monies arising from such sales applied to such services as shall have been *granted in this Session of Parliament.*
1 Will. 4, c. 5 (Appropriation Act):	5 Vict. c. 11 (Appropriation Act):
Sect. 1. Be it enacted, that there shall and may be issued and applied towards making good the supply for the service of the year 1830, 1,850,000 *l.*; and that the Treasury be authorised to apply the same accordingly. Sect. 12. £. 3,253,882 to be applied to the supplies *voted in the last Session.*	Sect. 1. We, the Commons, &c., towards making good the supplies *granted in this Session of Parliament,* have resolved to grant, &c. The Treasury permitted to issue 10,636,350 *l.* in Exchequer Bills. Sect. 8. All monies raised by this Act and 5 Vict. c. 8, to be applied as hereinafter expressed. Schedule of Appropriation follows, including 24,896 *l.* towards making good the supplies granted in the *last Session of Parliament.*

Such are the enactments. I have altogether excluded, on both sides, the clauses authorising issues on votes of the House of Commons. These appear to me to be enabling clauses only, justifying issues to be made under votes of the House of Commons, which, if these clauses had not been enacted, could only have been made under grants of Parliament, or in other words, by Acts of the whole Legislature.

Your Lordships will observe, that in the Acts before the dissolution, both in 1830 and in 1840, the language is precisely the same: the enactment is, *to provide for the service of the whole year*: but in the Acts passed after the dissolution, the case is different, for, in the Acts of 1830, the words used refer to the *service of the year* 1830, while for these words are substituted, in 1841, the very different words for the service of the Session, or for the services granted *during the Session.*

As the words are different, so I am led to conclude the meaning must be different also, for your Lordships would deem it most unbecoming, most rash and disrespectful, if I were to assume that the Legislature did not know the meaning of its own words, and could not discriminate between the service of the Session and the service of the year.

On these grounds I venture, with great deference, to submit to your Lordships that the reasoning of your Lordships' Minute is insufficient to warrant the conclusion drawn from it by your Lordships.

I feel, my Lords, that I may appear to be guilty of a presumptuous reliance on my own opinion, and nothing but the stringent words of the Statute constituting my office would induce me to do so. That Statute (4 & 5 Will. 4, c. 15, s. 11,) is clear and precise, and leaves me no discretion. I dare not yield to your Lordships' authority, however inclined, in humble respect, to do so. I may be in error, and I can, in all sincerity, assure your Lordships that, if it can be so shown, on legal authority, by reference to the true interpretation, and not the implied intention of the Legislature, I shall at once and readily abandon the objection I have raised, and to which, with all humility, I still adhere.

Mistrusting my own fallible judgment, I have to request of your Lordships to submit the enclosed case, together with your Lordships' Minute and this letter, for the judgment of the law advisers of the Crown. By the opinion of those learned and eminent persons, given as it will be under a due sense of their responsibility to your Lordships, to Parliament, and to their country, I am quite willing to be governed, and I shall be more than gratified at finding myself in error, if I am thereby enabled to comply with the directions of your Lordships.

I have, &c.,

(signed) *Monteagle.*

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

My Lord, Exchequer Bill Office, 4 November 1841.

May we beg your Lordship to inform us if the credit ordered by the Treasury to be placed at our disposal by their letter of 15th October has been acted upon, and if the sum of 10,000 *l.*, the amount of that credit, has been placed to our account with the Bank of England. Paymasters of Exchequer Bills to Comptroller-general, 4 Nov. 1841.

This money will be required to-morrow.

We have, &c.
(signed) *J. H. Latham,*
E. H. Nevinson,

The Right Honourable Lord Monteagle,
Comptroller-general of Her Majesty's Exchequer.

Comptroller-general's Office, Whitehall-yard,
4 November 1841.

Gentlemen,

In reply to your letter of this date, I have to inform you that the credit of 10,000 *l.* that was required by your application to the Treasury of the 15th October has not yet been placed to your account with the Bank. Comptroller-general to Paymasters of Exchequer Bills, 4 November 1841.

I remain, &c.,
(signed) *Monteagle,* Comptroller-general.

The Paymasters of Exchequer Bills.

My Lord, Treasury Chambers, 10 November 1841.

In reply to your Lordship's letter of the 4th instant, I have it in command from the Lords Commissioners of Her Majesty's Treasury, to transmit to you copy of their Lordships' Minute of the 5th inst., respecting their direction of an issue to be made by your Lordship from the funds of the Exchequer of 10,000 *l.* for the payment of principal of Exchequer Bills. Treasury to Comptroller-general, 10 November 1841.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer.

COPY of Treasury Minute, dated 5th November 1841.

Read, &c.

Although there are some parts of the argument contained in the letter of the Comptroller-general to which my Lords cannot assent, and which they would, under ordinary circumstances, feel disposed to controvert; yet, considering the inconvenience which would be sustained by the public service from any further delay in ascertaining how the money voted for the service of the year 1841 ought to be issued, my Lords deem it more advisable to abstain from any further controversy. Treasury Minute, 5 November 1841.

They are pleased, therefore, to direct the case drawn up by Lord Monteagle, and his Lordship's letter of the 4th instant, together with the Minute of this Board of the 27th ultimo, to be submitted to the Law Officers of the Crown, for their immediate consideration and opinion.

They have only thought it necessary to add to these documents the subjoined Comparative Statement of the Acts passed after the dissolution in 1830 and 1841, which appears to them to furnish a fuller statement of their contents than that enclosed in the Comptroller-general's letter.

Acts of 1830. After the Dissolution.	Acts of 1841. After the Dissolution.
1 Will. 4, c. 1.	5 Vict. c. 8.
Title. An Act to apply the Sum of 3,000,000 *l.* to the Service of the Year 1830.	Title. An Act for funding Exchequer Bills, and for making Provision for the Service of the Year 1841.
Sect. 1. Be it enacted, that there shall be issued and applied, towards making good the Supply granted to his Majesty for the service of the year 1830, 3,000,000 *l.*, and that the Treasury be authorised to issue and apply the same accordingly.	Sect. 1. Funding Exchequer Bills.
Sect. 6. It shall be lawful to issue and apply the same from time to time to such services as shall then have been voted in the present Session.	Sect. 4. Subscribers allowed to pay money in lieu of Exchequer Bills.
	Sect. 21. It shall be lawful to issue and apply all such sums to such services as shall have been granted in this Session of Parliament.
	Sect. 24. Money arising from sale of stock to be applied to such services as shall have been granted in this Session.
1 Will 4, c. 5, Appropriation Act.	5 Vict. c. 11, Appropriation Act.
Title. An Act to apply the Sum of 1,850,000 *l.* to the Service of the Year 1830, and to appropriate the Supplies granted in this Session of Parliament.	Title. An Act for raising, &c. for the Service of the Year 1841, and for appropriating the Supplies granted in this Session of Parliament.

Appendix, No. 9.

Acts of 1830. After the Dissolution.	Acts of 1841. After the Dissolution.
Sect. 1. Towards making good the Supplies granted in this Session of Parliament, Be it enacted, that there shall be issued and applied towards making good the Supply for the service of the year 1830, 1,850,000 *l.*, and that the Treasury be authorised to issue and apply the same accordingly. Sect. 6. It shall be lawful to issue and apply the same from time to time to such services as shall then have been voted in this present Session.	Sect. 1. Towards raising the Supplies granted in this Session, have resolved to grant 10,626,350 *l.* Exchequer Bills. Sect. 3. It shall be lawful to issue and apply the same to such services as shall then have been voted in this present Session.
Sect. 12. £. 3,253,882 to be applied to the Supplies voted in the last Session.	Sect. 14. £. 24,896 to be applied to the Supplies granted in the last Session.
Sect. 9. All monies received under 1 Will. 4, c. 1, or this Act, to be applied as hereinafter expressed.	Sect. 8. All monies received under this Act, or 5 Vict. c. 1, to be applied as hereinafter expressed.
Sect. 15. That the aforesaid Aids and Supplies shall not be applied to any purpose other than those before mentioned, or those sanctioned by any Act of this Session.	Sect. 17. That the said Aids and Supplies shall not be applied to any purpose other than those directed to be satisfied thereout by any Act of this Session.

Transmit the case enclosed in the letter from the Comptroller-general of the Exchequer, and all the papers, to the Solicitor, and desire that he will submit the same to the Attorney and Solicitor-general, for their immediate consideration and opinion.

Transmit copy of this Minute to the Comptroller-general of the Exchequer, for his information.

Treasury to Comptroller-general, 17 November 1841.

My Lord, Treasury Chambers, 17 November 1841.

I HAVE it in command from the Lords Commissioners of Her Majesty's Treasury, to transmit to your Lordship herewith a copy of the opinion of the Attorney and Solicitor-general upon the questions submitted to them by their Lordships' directions, relative to the issues of monies from the Exchequer for the service of the present year, 1841, agreeably to the request contained in your Lordship's letter, dated the 4th instant; and I am to request that your Lordship will inform my Lords, with as little delay as possible, of the course that your Lordship intends to pursue, in consequence of the opinion given respecting the application of the Ways and Means granted for the service of the year 1841.

I am, &c.

The Comptroller-general of the Exchequer. (signed) *C. E. Trevelyan.*

Opinion of Law Officers.

IT appears to us that the general scope and intention of the Acts of the first Session and second Session of this year (1841), was to provide for the service of the year; and that the Legislature could not have intended the distinction and separation (as insisted upon by the Comptroller), of the Supplies of the two Sessions accidentally occurring in the same year. The word "Session" has been used as importing "the Parliamentary year" (with which in general it is practically synonimous); and we entertain no doubt, referring to these and other Acts, that the intention and meaning of the Legislature, in consequence of this mistake, has not been conveyed by the language used.

But we think, as a question of law, that this mistake (however obvious) cannot be corrected, except by Parliament, and that the word "*Session*" must receive its true legal construction (viz. a particular sitting of Parliament, from its commencement to its close), and cannot be read as "*Year*."

(signed) *Fred. Pollock.*
W. W. Follett.

Temple, 15 November 1841.

Comptroller-general to Treasury, 17 November 1841.

My Lords, Exchequer, 17 November 1841.

I HAVE the honour to acknowledge the receipt of your Lordships' letter of this day, enclosing the opinion of the law officers of the Crown upon the Case and Supplementary Papers submitted to them, respecting the just construction of the several Acts of Parliament for defraying the charges of the public service (1841).

Your Lordships are pleased to require that I should state, with as little delay as possible, the course which I intend to pursue in consequence of the opinion given respecting the application of the Ways and Means granted in 1841.

The Crown lawyers consider that an obvious mistake has been made in the wording of the Statutes, but that it is one which cannot be corrected except by Act of Parliament, and that the word "Session" must receive its true legal construction, namely, a "particular sitting of Parliament, from its commencement to its close," and cannot be read "year."

Under

Under this opinion, I feel myself restrained from issuing the credit required by your Lordships' letter of the 15th October. Appendix, No. 9.

With respect to the further points which have been raised during this correspondence, I have to request your Lordships, in all humility, to procure me, for my further guidance, replies to the three queries submitted by me on the 4th instant, for the opinion of the law officers.

The opinion already given, whilst it is conclusive in respect to the illegality of issuing any Ways and Means, provided under the 5th Vict. c. 8, and 5 Vict. c. 11, for services voted in the preceding Parliament, only raises a strong analogy in respect to the Ways and Means placed at your Lordships' disposal by the 4 & 5 Vict. c. 4, and 4 & 5 Vict. c. 5, as well as under the annual Sugar Act.

Unless subject to the consent and sanction of Parliament, I cannot but hold myself bound to govern my conduct by the legal interpretation given to these several statutes.

I have, &c.
(signed) *Monteagle*, Comptrollor-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

Treasury Chambers, 19 November 1841.

My Lord,

Treasury to Comptroller-general, 19 November 1841.

The Lords Commissioners of Her Majesty's Treasury have had before them your Lordship's letter of yesterday's date, acknowledging the receipt of their Lordships' letter, enclosing the opinion of the law officers of the Crown upon the Case and Supplementary Papers submitted to them, respecting the just construction of the several Acts of the late and present Parliament, for defraying the charges of the public service, and stating that, under this opinion, your Lordship feels yourself restrained from issuing the credit of 10,000 *l.*, required by the letter of this Board of the 15th October.

My Lords desire me to request that your Lordship will return that letter to the Treasury, in order that their Lordships may direct the issue in question to be made from a Ways and Means fund of the first Session of Parliament held in the present year.

My Lords desire me to acquaint your Lordship that the whole of the statement in your Lordship's paper, transmitted to the Treasury in your Lordship's letter of the 4th instant, as drawn up by your Lordship for the "opinion of the Crown lawyers relative to the construction of the Revenue Acts of the year 1841," and commencing with the words "*a doubt has arisen*," and ending with "*provided for by the 5 Vict. c. 8 and c. 11*," was submitted to the Attorney and Solicitor-general, with a request that they would advise "*on the above-stated questions*," and my Lords therefore consider that the opinion, as given by them, applies clearly to all that is contained in the three questions submitted to them by the desire of your Lordship.

I am, &c.
(signed) *Tho. F. Fremantle.*

To the Comptroller-general of the Exchequer.

Exchequer, 19 November 1841.

My Lords,

Comptroller-general to Treasury, 19 November 1841.

In compliance with the request of your Lordships, signified to me in your Secretary's letter of this day's date, I return herewith the letter of direction of the 15th October last for the credit of 10,000 *l.* to the Paymaster of Exchequer Bills, a copy of which I have retained for the use of this office.

I am, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

Exchequer, 22 November 1841.

My Lords,

Comptroller-general to Treasury, 22 November 1841.

It is with infinite regret that I feel myself compelled to call the attention of your Lordships to a consequence resulting from the opinion of the law officers of the Crown, communicated to me on the 17th instant.

Under that opinion, the Ways and Means voted in the Session before the dissolution cannot be legally applied to provide for Services voted in the present Parliament.

It therefore follows, that there were not any Ways and Means applicable to the latter Services before the passing of the 5 Vict. c. 8, and the 5 Vict. c. 11. These Acts received the Royal Assent on the 7th day of October.

A series of Royal Orders under the sign manual, and countersigned by your Lordships, has been forwarded to me. These Royal Orders all bear date on the 1st October, being executed previously to the passing of the Acts by which Ways and Means were provided to defray the Services for which these Royal Orders were intended to provide.

But in reference to sect. 11 of the Act constituting the office of Comptroller of the Exchequer, it will appear that the period fixed by law for the execution of a Royal Order is, "whenever any sums of money shall have been granted by any Act of Parliament or Vote of the House of Commons, and *Ways and Means shall likewise have been granted for satisfying* and making good the same."

Your Lordships will, therefore, perceive that whilst the law provides that Ways and Means should first be granted before a Royal Order issues, in the present case the date of the Royal Order is unfortunately antecedent to the grant of Ways and Means. Thus the Royal Orders referred to are not without the provisions or authority of the 4 Will. 4, c. 15.

Appendix, No. 9.

Your Lordships will bear in mind that, anticipating what was likely to be the opinion of the law officers, I took the liberty of asking your Lordships' permission to reserve to myself the right of submitting this point for your Lordships' consideration, though I was unwilling to impede the public service by declining to issue the credits required by the Treasury.

Your Lordships will, I hope, permit me to assure you of the anxiety which I feel to concur with your Lordships in any arrangement which may remedy, with the least inconvenience or delay, the mistake which appears to me to have been committed.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

Comptroller-general to Chancellor of Exchequer, 18 December 1841.

My Dear Sir, Exchequer, 18 December 1841.

I HAVE not yet received the Royal Order and Treasury Warrant, the form of which you settled with me nearly a month ago. I have been carrying on the public service somewhat irregularly since, to avoid giving the Queen and the Treasury the trouble of issuing an entire series of amended Warrants; but will you be so good as to let me have the Order and Warrant without delay, that I may have a sufficient authority for the course I have taken.

Yours, &c.
(signed) *Monteagle*, Comptroller-general.

The Chancellor of the Exchequer,
&c. &c. &c.

Comptroller-general to Treasury, 28 December 1841.

My Lords, Exchequer, 28 December 1841.

I HAVE the honour to acknowledge the receipt of the Royal Orders and Treasury Warrants of the 27th instant, communicating to me the will and pleasure of the Crown that the 106 Royal Orders and Warrants therein named, and all bearing date the 1st October 1841, shall be taken, received and acted upon as if they had been dated subsequently to the passing of the Ways and Means Acts of the last Session.

Considering this to have the same legal effect as if the whole of these Royal Orders and Warrants had been recalled, corrected and re-acknowledged, I feel no further difficulty with respect to the legality of giving effect to your Lordships' instructions.

A clerical error has been inadvertently committed in the schedules, the grant for the Improvement of the Shannon being recited as for 1,459*l.*, whereas it should be for 1,459*l.* 10*s.*; but the words of description are sufficient to render it unnecessary to trouble your Lordships' for any amendment of this mistake.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

Comptroller-general's Minute, 28 December 1841.

28 December 1841.

THE Comptroller-general has before him Her Majesty's Royal Order, bearing date the 27th day of December in the present year, reciting that various Royal Orders had been given on the 1st October 1841, being prior to the day of the passing of the Acts in the last Session of Parliament for Funding Exchequer Bills, and for appropriating the Supplies granted in the last Session, and declaring it to be Her Majesty's Royal will and pleasure that the said Royal Orders of the 1st October, and the directions contained therein, shall be taken, received and acted upon as if all such Royal Orders had been dated subsequently to the date of the passing of these Acts.

The Comptroller-general proceeds to examine the Treasury Warrants bearing the same date, and to the like effect.

The objections taken by the Comptroller-general to the Royal Orders and Warrants of the 1st of October having been, that they had been executed and issued before any provision of Ways and Means had been made by Parliament for the services voted in the last Session, and were contrary to sect. 11, 4 Will. 4, c. 15, the statute regulating the proceedings of the Exchequer, by which it is provided, that whenever any sums shall have been granted by Act of Parliament or Vote of the House of Commons, and Ways and Means shall likewise have been granted for satisfying and making good the same, it shall be lawful for his Majesty, by Royal Order under sign manual, countersigned by the Lords of the Treasury, to authorise and require the Comptroller-general to issue credits accordingly.

The Royal Orders of the 1st October having been issued before the grant of any Ways and Means applicable to the service, appeared to the Comptroller-general inconsistent with the Act, and therefore irregular and invalid. By the instruments now under consideration, Her Majesty is pleased to direct all such Royal Orders to be received and acted upon as if they had been executed after the grant of Ways and Means by Parliament. The Treasury Warrant is to the same effect.

The Comptroller-general considers this to amount, practically, to a recall for correction and re-acknowledgment of the 106 informal Royal Orders, and corresponding number of Treasury Warrants, signed on the 1st October, and a sufficient authority and justification to him for the course, which under the peculiar circumstances of the case, he has taken.

Monteagle, Comptroller-general.

VICTORIA R.

Appendix, No. 9.

ROYAL ORDER.

Correcting Royal Order, 27 December 1841.

WHEREAS by various Royal Orders, as hereinafter set forth, given by us, bearing date on the 1st day of October 1841, being prior to the day of the passing of the Acts in the last Session of Parliament, intituled, "An Act for funding Exchequer Bills, and for making Provision for the Service of the year 1841," and another Act, intituled, "An Act for raising the Sum of 10,626,350 *l.* by Exchequer Bills, for the Service of the year 1841, and for appropriating the Supplies granted in this Session of Parliament," We authorised credits to be given by you for certain services voted in the last Session of Parliament, at such times and in such proportions, and out of such funds as should be specified in the warrants and directions to be given by the Commissioners of our Treasury: These are to declare it to be our Royal will and pleasure, that the said Royal Orders, and the directions contained therein, shall be taken, received and acted upon in the same manner as if all such Royal Orders had been dated subsequently to the day of the passing of the said Acts.

DATE OF ROYAL ORDER.	SERVICES.	AMOUNT. £.	s.	d.
1 October 1841	Civil Contingencies	60,000	–	–
"	Works and Repairs of Public Buildings	51,654	10	–
"	Kingstown Harbour	5,000	–	–
"	Holyhead Roads, Harbour, &c.	2,680	10	–
"	Works at the British Museum	21,202	–	–
"	Temporary Accommodation, Houses of Parliament	4,184	10	–
"	New Houses of Parliament	15,406	–	–
"	Model Prison	15,000	–	–
"	General Prison at Perth	2,500	–	–
"	Museum of Economic Geology	844	10	–
"	Erecting a Hall at Edinburgh	2,500	–	–
"	Salaries and Expenses of both Houses of Parliament	29,000	–	–
"	Ditto, Treasury	26,300	–	–
"	Salaries and Expenses of the Home Department	10,750	–	–
"	Ditto - Foreign - ditto	44,000	–	–
"	Ditto - Colonial - ditto	10,000	–	–
"	Ditto - Privy Council Office	15,750	–	–
"	Salary of the Lord Privy Seal	1,000	–	–
"	Office of Paymaster-general	17,473	10	–
"	Salaries and Expenses of the Exchequer	8,785	–	–
"	Insolvent Debtors' Court	6,679	–	–
"	Penitentiary, Milbank	9,722	–	–
"	Parkhurst Prison, Isle of Wight	3,092	10	–
"	Salaries, &c., State Paper Office	1,141	–	–
"	Ecclesiastical Commissioners	1,500	–	–
"	Commissioners, Poor Laws	29,077	10	–
"	" Slave Trade	8,250	–	–
"	Consuls Abroad	56,796	–	–
"	Inspectors of Factories	4,500	–	–
"	" Prisons	3,100	–	–
"	Expenditure of the Mint	15,700	–	–
"	Commission on Employment of Children in Mines	2,500	–	–
"	Superannuations	41,000	–	–
"	Toulonese and Corsican Emigrants	3,250	–	–
"	National Vaccine Institution	925	–	–
"	Maintenance of Criminal Lunatics	1,695	–	–
"	Protestant Dissenting Ministers	1,950	–	–
"	Foreign and other Secret Service	19,600	–	–
"	Printing and Stationery for the Public Departments	103,747	–	–
"	Law Charges	14,000	–	–
"	Convicts at Home and Bermuda	39,440	–	–
"	Ditto Abroad	132,500	–	–
"	Captured Negroes, Support of	12,500	–	–
"	Public Record Office	5,169	–	–
"	Public Education	15,000	–	–
"	University of London	2,660	–	–
"	School of Design	795	–	–
"	Revising Barristers	14,500	–	–
"	Sheriffs' Expenses, &c.	6,150	–	–
"	County Rates (Charges)	73,500	–	–
"	Polish Refugees	6,000	–	–
"	Manuscripts, &c., British Museum	3,540	–	–

(*continued*)..

Appendix, No. 9.

DATE OF ROYAL ORDER.	SERVICES.	AMOUNT. £.	s.	d.
1 October 1841	Spanish Claims	56,855	–	–
"	Steam Communication to India	25,000	–	–
"	Civil Establishment, Bahamas	2,930	–	–
"	" Bermudas	2,024	10	–
"	" Prince Edward's Island	1,535	–	–
"	Settlements, Western Australia	3,549	10	–
"	Ecclesiastical Establishment, British North America	5,795	–	–
"	Settlements, Western Coast of Africa	5,440	–	–
"	Indian Department, Canada	9,447	10	–
"	Governors, West Indies	9,333	10	–
"	Civil Establishment, Heligoland	511	10	–
"	Stipendiary Justices, West Indies	29,350	–	–
"	Education of Negroes	15,000	–	–
"	Colonial Land and Emigration Board	3,326	–	–
"	Civil Establishment, St. Helena	5,750	–	–
"	Establishment at Sable Island, Nova Scotia	200	–	–
"	Expedition to the Niger	19,987	–	–
"	Settlement of New Zealand	3,000	–	–
"	Port Essington	2,211	10	–
"	Civil Establishment at the Falkland Islands	1,000	–	–
"	Public Walks	5,000	–	–
"	Schools of Design in Provincial Towns	5,000	–	–
"	Pictures for the National Gallery	1,750	–	–
"	Lighthouses in Jamaica and Bermuda	2,250	–	–
"	Census of the Population of Ireland	10,000	–	–
"	Miscellaneous Charges, Scotland	37,150	–	–
"	Services in Canada	54,000	–	–
"	Education in Ireland	25,000	–	–
"	Foundling Hospital in Dublin	4,793	–	–
"	House of Industry in Dublin	7,846	10	–
"	Female Orphan House, Circular Road, Dublin	500	–	–
"	Westmoreland Lock Hospital	1,250	–	–
"	Lying-in Hospital, Dublin	500	–	–
"	Dr. Stevens' Hospital, Dublin	750	–	–
"	Fever Hospital	1,900	–	–
"	Hospital for Incurables	250	–	–
"	Roman Catholic College	4,464	–	–
"	Royal Irish Academy	150	–	–
"	Hibernian Academy	150	–	–
"	Commissioners of Charitable Bequests, Ireland	350	–	–
"	Royal Belfast Academical Institution	975	–	–
"	Public Buildings, Ireland	8,250	–	–
"	Department of Chief Secretary to Lord Lieutenant, Ireland	12,542	10	–
"	Salaries of Lord Lieutenant's Household	6,232	–	–
"	Paymaster of Civil Services	2,369	10	–
"	Printing Proclamations and Statutes	2,075	–	–
"	Dissenting Ministers	17,453	10	–
"	Criminal Prosecutions	51,000	–	–
"	Police, Dublin	19,050	–	–
"	Board of Public Works	1,392	–	–
"	Townland Survey of Ireland	3,500	–	–
"	Improvement of the River Shannon	1,459	10	–
"	Refuge for the Destitute	1,500	–	–
"	Salaries of Professors of Oxford and Cambridge	1,003	–	–

Given at our Court at Buckingham Palace this 27th day of December 1841.

By Her Majesty's Command,

Henry Goulburn.
Alexander Pringle.
J. Milnes Gaskell.

Authority respecting various Royal Orders, dated 1 October 1841.

(No. 8.) Appendix, No. 9.

Excessive Issue for Public Works, Ireland.

My Lords, Exchequer, 11 November 1841.

I HAVE had the honour to receive your Lordships' letter of direction of the 10th instant, desiring me to authorise the Governor and Company of the Bank of Ireland to transfer from the general account of the Exchequer to the account of the Commissioners of Public Works, the sum of 4,964 *l.* 9 *s.* 6 *d.* in full of the Treasury Warrant (22,159 $\frac{5}{11}$) for a similar sum. Your Lordships will find, on reference to the Act 1 Vict. c. 21, to which I am referred, that authority is given for the issue of 50,000 *l.* for the purposes contemplated by Parliament. But by the account enclosed, your Lordships will perceive that 47,786 *l.* 15 *s.* 7 *d.* has already been issued under this statute, and the amount now required by your Lordships' Warrant would exceed the sum legally issuable by 2,751 *l.* 5 *s.* 1 *d.* The warrant and letter are, therefore, contrary to law, and cannot be carried into effect. Comptroller-general to Treasury, 11 Nov. 1841.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury, &c. &c. &c.

My Lord, Treasury Chambers, 13 November 1841.

IN reply to your Lordship's letter of the 11th instant relative to the amount required to be transferred by Treasury Warrant to the Commissioners of Public Works in Ireland, I have it in command from the Lords Commissioners of Her Majesty's Treasury to request you will return to this Board the letter of direction of the 10th instant, mentioned in your letter; and that you will transmit to my Lords an account of the issues made to the Commissioners of Public Works in Ireland, in part of the sum of 50,000 *l.* authorized by the 62d section of the Act of 1 & 2 Will. 4, c. 33. Treasury to Comptroller-general, 13 Nov. 1841.

I have, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer.

My Lords, Exchequer, 15 November 1841.

I HAVE to acknowledge the receipt of your Lordships' Secretary's letter of the 13th November, requesting me to return the letter of direction of the 10th of November, directing a transfer of 4,964 *l.* 9 *s.* 6 *d.* to the Commissioners of Public Works in Ireland, under authority of your Lordship's warrant, referred to in the margin. Comptroller-general to Treasury, 15 Nov. 1841.

22,159 $\frac{5}{11}$.

I enclose the letter in original, as your Lordships desire, having retained a copy in this office. Your Lordships will perceive the extreme inconvenience that will arise to the public service, if warrants, letters, or other official instruments upon which official proceedings are taken, should subsequently be withdrawn, as by this practice the antecedent steps taken may, so far as the records of this department are concerned, be made obscure or unintelligible.

Your Lordships are also pleased to request that I should furnish you with an account of the issues made to the Commissioners of Public Works in Ireland, for grants in part of the sum of 50,000 *l.*, authorised by the 62d section of the 1 & 2 Will. 4, c. 33. I am unable to comply with your Lordships' desire, as all books, accounts and papers relating to the Exchequer, and of a date anterior to 1834, have been deposited with the Master of the Rolls, by your Lordship's orders.

Your Lordships will, however, perceive, from the accounts appended to the Reports of the Commissioners of Public Works, and laid before Parliament, that from these documents it would appear that the 50,000 *l.* provided by the Act 1 & 2 Will. 4, has long since been expended.

But your Lordship's warrant, referred to, rests not upon the 1 & 2 Will. 4, but on the 1 Vict. c. 21, under which the issues appear to have been 47,786 *l.* 15 *s.* 7 *d.*, making, with the new transfer ordered, a total issue exceeding by 2,751 *l.* 5 *s.* 1 *d.*, the grant authorised by Parliament.

The Lords Commissioners of Her Majesty's Treasury, &c. &c.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

(No. 9.)

£. 25,050 over-due Outstanding Exchequer Bills, &c.

My Lords, Exchequer, 21 December 1841.

IN reference to the weekly account of Exchequer Bills yesterday transmitted to your Lordships, I feel it my duty to call your Lordships' special attention to the first entry which it includes. Comptroller-general to Treasury, 21 Dec. 1841.

"Various descriptions of bills advertised to be paid off, the interest whereon has ceased, "but which are still outstanding, 47,650 *l.*"

Appendix, No. 9.

Having had occasion in consequence of the late inquiry to call on the Paymasters for a detailed and particular account of all Exchequer Bills outstanding, I find from their reply that this sum includes a sum of 25,050 *l.*, stated to be an amount agreed to about the year 1820, to reconcile accounts with Treasury books and Parliamentary papers. I have no cognizance of the transactions here described, nor any means of ascertaining what took place. But as it is clear that a considerable sum returned as the amount of Exchequer Bills outstanding does not consist of Exchequer Bills at all, but is, in fact, a fictitious entry for the reconciling of accounts which did not agree, I submit the matter to your Lordships' superior wisdom, in order that such directions may be given thereon, and such inquiries made, as the circumstances may seem to demand. Your Lordships are aware that the form of account to which I have adverted has existed from the first establishment of this office, and I am unwilling to make any alteration in its form till I receive your Lordships' direction; but in the meanwhile, in order to prevent an account which passes through this office from being the basis of that which is inaccurate and delusive, I shall for the future subjoin to my weekly certificate a note of explanation.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

To the Lords Commissioners of
Her Majesty's Treasury.

Comptroller-general to Paymasters of Exchequer Bills, 27 Dec. 1841.

Gentlemen, Exchequer, 27 December 1841.

Having had occasion to consult the papers belonging to the late Auditor's office, which have been removed from my custody to the Rolls, I have found an account furnished by you to Lord Grenville, bearing date the 22d October 1833, and signed H. Jadis and J. H. Latham.

The document in question is an account of all Exchequer Bills issued pursuant to Acts of Parliament passed prior to the year 1832, but which bills have not yet been presented for payment. The account is as follows:—

	£.			£.
Supply, 1825:	10,500,000,	6 Geo. 4, c. 70,	2/1,000 - - - 6,148/9	2,000
„ 1828:	12,000,000,	9 Geo. 4, c. 2,	2/100 - - - 2,516/7	200
„ „	16,046,800,	9 Geo. 4, c. 89,	1/1,000 - - - 3,473	1,000
„ 1829:	12,000,000,	10 Geo. 4, c. 4,	2/100 - - 1,918, 2,756	200
„ „	13,438,800,	10 Geo. 4, c. 60,	1/500 - - 2,629	500
„ 1830:	13,607,600,	1 Will. 4, c. 62,	4/100 - 1,640, 3,142/4/5	400
„ 1831:	12,000,000,	1 Will. 4, s. 2, c. 11,	2/200 - - 10, 501	400
			1/100 - - - 2,016	100
„ „	13,616,400,	„ „ c. 14,	1/500 - - - 3,090	500
			1/200 - - - 789	200
			10/100 - 568, 1,072/5	
			1,077 1,509 4,095	1,000
			4,187, 5,188	
			£.	6,500

You will observe that by this account the only bills of 1825, stated on the authority of your office to be outstanding in 1833, were two bills for 1,000 *l.* each; whereas in the month of November last, a bill for 100 *l.*, No. 1,882, dated 25th June 1825, has been presented for payment, and paid off by you. There must consequently have been an error somewhere in respect to this bill.

You will also observe that in the foregoing account there are no bills returned as outstanding prior to 1825, whereas in the account furnished from your office, dated 6th December 1841, bills are returned as outstanding issued in the years 1803, 1807, 1810, 1813, 1814, 1815, 1816, 1817, 1818, 1820, 1821, 1822, 1823 and 1824. This discrepancy proves an error in the one account or the other, which it will be desirable to account for, or to reconcile, otherwise the weekly Exchequer Bill Account furnished to the Treasury will be inaccurate.

In addition to the 5,000 *l.* bills noted in the margin, there is a further sum of 5,700 *l.* to be added, being the bills outstanding of which the particulars are not known. £. 30,750 after deducting 25,050 *l.*, the amount which you inform me was agreed on by the Treasury to reconcile accounts with Treasury books and Parliamentary papers. Hence it would seem that there is a discrepancy between your account of 22d October 1832 and of 6th December 1841, of not less than 10,700 *l.* The sum of 25,050 *l.* does not appear to me to be one which ought to be returned as of outstanding Exchequer Bills, and I have called the attention of the Treasury to the subject.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Paymasters of Exchequer Bills.

Appendix, No. 9.

My Lord, Exchequer Bill Office, 29 December 1841.

Paymasters of Exchequer Bills to Comptroller-general, 29 Dec. 1841.

Your Lordship's respected letter of the 27th December has had our attention, and we will proceed to explain to you as far as we may be able the discrepancy existing between the account furnished by this department to Lord Grenville, dated 22 October 1833, and that we had the honour to send to your Lordship, dated 6 December 1841.

That the document in question purports to be "An Account of all Exchequer Bills," &c., &c., is true, but such account is evidently improperly headed, and the error arose from such heading being originally used, and subsequently adopted, when similar accounts, or, more properly speaking, *continuations* of such accounts, were called for. The account immediately in question was of all Exchequer Bills issued prior to 1832, and were then (22 October 1833) outstanding; but in point of fact it was a continuation of a similar account, furnished 15 February 1828, of all such bills issued prior to 1825. With reference to the fact of the bill for 100 *l.*, No. 1,882, 25 June 1825, not being included in this statement of bills outstanding that were issued prior to 1833, we are satisfied such omission was attributable to the negligence of the party who made out the account, for our register represented such bill as outstanding until it was paid off in November last. The account of outstanding bills dated 15 February 1828, is the preceding one to that bearing date the 22d October 1833, to which we beg to refer your Lordship, in further explanation of the appearance in our account dated 6 December 1841 of outstanding bills, from the year 1803 to 1824, being 30 bills, value 5,000 *l.* But with regard to the particulars of the bills that constitute the further sum of 5,700 *l.*, we regret we are unable to discover them.

We have, &c.
(signed) *Edward H. Nevinson.*
J. H. Latham.

The Right Hon. Lord Monteagle,
&c. &c. &c.

My Lord, Treasury Chambers, 6 January 1842.

Treasury to Comptroller-general, 6 January 1842.

With reference to your Lordship's letter of the 22d ultimo, I am commanded by my Lords Commissioners of Her Majesty's Treasury to inform your Lordship that the Paymasters of Exchequer Bills have been directed to exclude from their account of over-due bills the Exchequer Bills for 25,050 *l.* therein referred to, there appearing no reason for their being returned as over-due, after Parliament had in 1823 made provision for the payment of them, which had been inadvertently made by anticipation in 1822.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-General
of Her Majesty's Exchequer,
&c. &c.

My Lords, Exchequer, 23 February 1842.

Comptroller-general to Treasury, 23 February 1842.

I fear I may not be enabled, as fully as I could wish, to assist your Lordships in your inquiries respecting outstanding Exchequer Bills, as requested by your Lordships' letter of the 29th ultimo. The whole of these accounts are in so very confused a state as returned to Parliament and to this office, and the explanations given since I brought the matter under your Lordships' notice are so conflicting, that I feel myself wholly at a loss to understand them.

To the Paymasters' account of the 6th of December 1841, showing 47,650 *l.* returned as of outstanding Exchequer Bills, the following note is added:

"Various Bills, of which the particulars are not known, *including a sum of* 25,050 *l.*
"*amount agreed upon*, about the year 1820, to reconcile accounts with the Treasury books
"and Parliamentary Papers, 30,750 *l.*"

In your Lordships' letter of the 6th January I am informed that "the Paymasters have "been directed to exclude from their account of over-due bills the Exchequer Bills therein "referred to, there appearing no reason for their being returned as over-due after Parliament, "in 1823, had made provision for the payment of them, which had been inadvertently made "by anticipation in 1822."

Your Lordships will perceive that these two statements seem difficult to reconcile, and similar difficulties occur in respect to other parts of the account.

But both accounts are alike irreconcileable with an account presented to Parliament on the 17th February 1838, certified by the Paymasters of Exchequer Bills, and their accountant, a copy of which is as follows:

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"ACCOUNT of all Exchequer Bills now Outstanding and not claimed, the Interest on which "has ceased, showing the Amount of Principal of such Bills of each year's Issue not "claimed."

Parl. Papers. 352 1828.

	£.
Prior to the year 1816	32,450
Supplies, anno 1816	800
Ditto - - 1817	200
Ditto - - 1818	500
Ditto - - 1820	300
Ditto - - 1821, and Public Works	1,200
Ditto - - 1822	500
Ditto - - 1823	500
Ditto - - 1824	300
Ditto - - 1825	100
Ditto - - 1828	1,200
Ditto - - 1829	100
Ditto - - 1830	100
Ditto - - 1834, and Public Works	1,100
Ditto - - 1835	700
Ditto - - 1836	50,800
TOTAL over-due Bills outstanding 5th January 1838	£.90,850

If this account is not altogether illusory, I cannot comprehend how it is possible that 25,050 *l.* can have been "an amount agreed upon, about the year 1820, to reconcile "accounts with Treasury books and Parliamentary Papers," as stated by the Paymasters, or how "Parliament" (in 1823) "had made provision for the payment of these bills by an- "ticipation in 1822."

But if the account given by the Paymasters on the 6th December 1841 is correct, this sum of 25,050 *l.* does not properly represent outstanding Exchequer Bills, but is a conventional and imaginary sum agreed on for an adjustment and reconcilement of accounts.

But the first entry in the account of the Paymasters of 5th January 1838 is equally extraordinary and unintelligible. By that entry, it is stated that there were the Exchequer Bills issued prior to the year 1816 outstanding, and not claimed, and on which the interest had ceased, to the value of 32,450 *l.* Now this appears to be wholly contradicted by other documents.

By a letter addressed to the Chief Clerk of the Auditor, 3d August 1807, by the Paymasters, it is certified "that all Exchequer Bills *prior to* 1794 have been cancelled and "paid off, and that all counterfoils antecedent to 1794 might therefore be destroyed." In the year 1808 (12 December) the Paymasters gave to the Exchequer a further certificate, that all the Exchequer Bills dated *prior to* 1803 had been cancelled and made void, except eight for 100 *l.* each, of which the numbers and denominations are given.

None of these are dated prior to 1794, and thus the account of the 3d August 1807 is confirmed by the similar account of the 12th December 1808.

By a similar certificate signed by the Paymasters and their accountant, on the 25th March 1815, all bills issued prior to 1813 were declared to be cancelled, with the exception of 37, of the value of 14,200 *l.*, excluding, however, from this account two issues in 1808 of three millions each, which appear to have probably been bills taken by the Bank. This account extends from 1806 to 1812 inclusive. A similar account is returned on 12th July 1819, comprehending the years from 1807 to 1815; it exhibits Exchequer Bills outstanding prior to 1816, as 8,100 *l.* only, excluding one of the issues of 3,000,000 *l.* made in 1808, to which I have already alluded. If I am correct in this recapitulation, the account rendered by the Paymasters to the Exchequer on the 12th July 1819 would represent no more than 8,100 *l.* as due prior to 1816, whilst in the account laid before Parliament on the 5th January 1838, the amount due prior to 1816 is stated as no less than 32,450 *l.* That the former account is in all probability correct, would appear, because in the Paymaster's certificate, dated on the 15th February 1828, and enclosed to your Lordships in Lord Grenville's letter of the same date, it is shown that at that period there was not one single bill *outstanding prior to* 1816, and that the whole amount of outstanding bills from 1816 to 1825 was but 24,600 *l.* When in 1828 both Lord Grenville and the Paymasters agree that not one single Exchequer Bill was outstanding *prior to* 1816, I am totally at a loss to account how a sum of 32,450 *l.* can appear as outstanding prior to 1816, and be returned as such to Parliament by the Paymasters in 1838. Nor are these difficulties lessened by the letter from the

the Paymasters of the 24th January 1842, enclosed in your Lordships' communication of the 29th ult. The Paymasters state that on the 5th January 1823 there were first returned as outstanding advertised Exchequer Bills issued prior to 1816, 10,800 *l.*, and that this sum was reduced to 7,400 *l.* on the 10th October 1830. Now both these statements are contradicted by the evidence of Lord Grenville and of the Paymasters in 1828, in which it is expressly set forth that no bills whatsoever were due or outstanding prior to 1816; and they are contradicted also by the Paymasters' return to Parliament in 1838, setting forth 32,150 *l.* of these bills as then outstanding. It will be for the Paymasters to reconcile these discrepancies, which have mainly arisen since 1828, the date of Lord Grenville's correspondence, his Lordship's letter and the Paymaster's certificate of that date, negativing conclusively the existence, at that period, of any bills prior to 1816. Your Lordships will observe from the two Parliamentary accounts, copies of which are enclosed, that the Paymasters have returned in 1838 and in 1840 the amount of Exchequer Bills outstanding from year to year. I presume they must be enabled to refer to the documents from which these accounts, as well as the Annual Finance Accounts, were compiled, and to give your Lordships information more satisfactory than I can offer in obedience to your Lordships' commands. In reference to the sum of 5,700 *l.*, respecting which the Paymasters state that they can give no explanation whatever if the documents to which I have so frequently referred, can be relied on, *no such amount of outstanding Exchequer Bills exists*; but whether this sum or the sum of 25,050 *l.* can be struck out of the public accounts on this evidence, and whether correction of some sort or another should not be made in the accounts already presented to Parliament, I leave it to your Lordships' wisdom to determine. Appendix, No. 9.

* * * * * *

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

Exchequer Bill Office, 11 April 1842.

Sir,

In our letter to you of the 8th ult. respecting certain discrepancies in the accounts of outstanding Exchequer Bills pointed out by the Comptroller-general, we engaged to furnish such explanation as the books of our office might afford as soon as our accountant was disengaged from the pressure of the payment then in progress. The Paymasters of Exchequer Bills, 11 April 1842. (Enclosed in Treasury Letter of 28 April 1842.)

We now forward to you the best explanation he is able to give in a matter of such long standing, and part of which, as we have mentioned in former communications to you, was an arrangement made at the Treasury by one of the Secretaries at that period. We regret it is not altogether more satisfactory, but the statement of the Comptroller-general would not have so materially added to the mystery had he therein stated, as had been explained to him on the 29th December 1841, that the various certificates sent from this office to his were always considered as being *in continuation* of each other.

We have, &c.
(signed) *J. H. Nevinson.*
E. H. Latham.

Copy. £. 25,050. A.

By Treasury letter dated the 6th January 1842, this sum 25,050 *l.* was directed to be discontinued in the account of Exchequer Bills outstanding and over-due.

A reference to this sum will be useful in explaining (by deduction or addition) almost every discrepancy.

B.

Paragraph.	The 32,450 *l.* consists of bills prior to 1816 - -	£. 7,400
	Add - - - - - - - - -	25,050
	Thus - - - - -	£. 32,450

The sum 25,050 *l.* stood in the books of this office without explanation when this return was made to Parliament in 1838, and being unknown, was assumed to be Exchequer Bills dated prior to 1816, the first item in the account, and was added thereto accordingly. It would have been more correctly stated if an explanation had accompanied it, as thus:

Bills prior to 1816 - - - - - - - - -	£. 7,400
Unknown, assumed to be prior to 1816 - - - - -	25,050
	£. 32,450

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C.

The several certificates referred to in this and following paragraphs were mere memoranda, the sole object and intention of them being to preserve from destruction the counterfoils of the bills *therein named* of the grants *therein named*, in addition to those desired to be preserved in *previous* memoranda or certificates. Nearly every paper commences with the supply of the year, subsequent to the last supply of the previous paper, as follows:—

Certificates of—

10 December 1808	Supplies	1794 —— to 1804
20 March 1815		1806 —— to 1812
12 July 1819		1807 —— to 1815
28 February 1828		1816 —— to 1825
22 October 1833		1825 —— to 1831

The wording of these certificates was inaccurate in expressing *only* the bills represented in the annexed memorandum, without reference to those included in previous similar returns.

D.

The sum 7,400*l.*, therein alluded to, was in addition to 25,050 *l.*; making, as per return to Parliament,

	£.7,400
	25,050
	£.32,450

E.

With reference to the sum of 5,700*l.*, the particulars of which are not known, its removal from the account should be with the understanding that upon any Exchequer Bills, dated prior to 1816, and not included and particularised in the account (1,700 *l.*) given in the accompanying statement, being presented for payment, application shall be made to the Treasury previous to its discharge.

Comptroller-general to Treasury, 3 May 1842.

My Lords, Exchequer, 3 May 1842.

I HAVE the honour to acknowledge your Lordships' letter of the 28th April, transmitting for my observation a copy of the Paymasters' of Exchequer Bills letter, dated the 11th ultimo.

I can only refer your Lordships to my former correspondence on this most obscure and perplexing subject, and more particularly to my letter of the 23d February 1842, to which the letter from the Paymasters purports to be a reply. I cannot consider the present explanation, either as it respects the sum of 25,050 *l.* or the other sums, as in any degree satisfactory, or as clearing up the discrepancies to which I have called your Lordships' attention.

I cannot adopt the suppositions of the Paymasters, which seem to me to deprive all previous returns made to this office, and to your Lordships, and to Parliament, of all authenticity.

I have discharged my duty in bringing the question before the Treasury. I cannot consider the papers on which your Lordships ask for my observation as in any degree satisfactory. My own office does not furnish me with the means of rendering your Lordships any further assistance; but it may not be unlikely that, by reference to the Auditors of Public Accounts, to whom the accounts of the Paymasters are sent annually, some of the difficulties of the case may be made intelligible, if they be not wholly removed.

Such is the course which, in obedience to your Lordships' desire, I venture to recommend.

The Lords of the Treasury, &c. &c.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

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Treasury to Comptroller-general, 5 July 1842.

My Lord, Treasury Chambers, 5 July 1842.

I am commanded by the Lords Commissioners of Her Majesty's Treasury to transmit to your Lordship herewith a copy of a report of the Commissioners of Audit, dated 10th ultimo, upon the subject of the discrepancies in the statements made by the Paymasters of Exchequer Bills as to the amount and number of Exchequer Bills overdue and outstanding; and I have to request you will favour my Lords with your opinion as to the expediency of adopting the course recommended by the Commissioners of Audit.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer.

(8,900/42.)

Commissioners of Audit to Treasury, 10 June 1842.

My Lords, Audit Office, 10 June 1842.

In obedience to your Lordships' order of reference of 6th ultimo, on a letter from Lord Monteagle, Comptroller-general of the Exchequer, accompanied by a correspondence between your Lordships, the Comptroller-general and the Paymasters of Exchequer Bills, together with statements of accounts (all of which are herewith returned) upon the subject of certain discrepancies in the statements which had been at different times made by the Paymasters of Exchequer Bills as to the number and amount of Exchequer Bills considered by that department to be overdue and outstanding.

We have the honour to report that the examination of the Exchequer Bill Account in this office has been restricted to the ascertaining of the correctness of the receipt and expenditure of the several sums passing through the hands of the accountants; that the respective items have been charged and allowed, under due and sufficient authority; and that for every allowance a satisfactory voucher, or cancelled bill, has been delivered in support of the credit claimed; whereas the discrepancies which it is your Lordships' object to have explained, relate to the precise number of bills unpaid at different periods; a subject which has never formed part of the examination in this office; they must, however, we apprehend, have been caused by a defective system formerly in the arrangements in the department of the Paymasters, but which we have reason to believe is now conducted with regularity and accuracy.

As the accounts of this office did not afford us any means of explaining those discrepancies, we requested the attendance of Mr. Wood, the Accountant of the Paymasters of Exchequer Bills, with a view to obtain from him, personally, such information upon certain of the statements and accounts bearing on these transactions, which, in our opinion, required a more specific explanation than was given by the documents themselves; and we proceed to describe what we consider to be the general nature of the transactions in question, in so far as their complexity will admit of, and at a period so long after that at which the commencement of these irregularities seem to have occurred.

As the basis of our statement, we take the Paymaster's account, dated 6th of December 1841, wherein the sum of 47,650*l.* is returned as the amount of overdue and then outstanding Exchequer Bills, the component parts of which they describe, as follows, viz.:

	£.	s.	d.
Amount outstanding, of which the particulars can be given, including the 1,700*l.*, previous to 1816	15,900	–	–
Struck out by Treasury authority, dated 6th January 1842	25,050	–	–
Amount outstanding prior to the year 1816, of which the particulars are not known	5,700	–	–
Cancelled at the Exchequer in the year 1818, a Bill originally issued for Public Works	1,000	–	–
	£. 47,650	–	–

The 1st and 4th items do not call for any observation from us, the same being supported by the records and registry, and verified by regular entries in the books of the Paymaster's Office, as to the correctness of which no doubt would appear to exist.

The second item of 25,050*l.* having already been withdrawn from the list of overdue and outstanding bills, in pursuance of your Lordships' directions to that effect conveyed to the paymasters by Mr. Trevelyan's letter of 6th January last, in like manner does not require any notice from us with a view to any steps to be taken thereon; we have, however, endeavoured to gain some insight into the origin of this sum having been returned as outstanding, and we regret to say that we have been unable to afford any further explanation.

We are informed that at the time of Mr. Wood's appointment to the office of Accountant in the Paymaster's establishment, on the death of his predecessor in the year 1827, he found the amount of bills returned as outstanding, and in the first instance he supposed it to be a further amount of old bills really outstanding, and returned the same accordingly; but that he *afterwards* ascertained that this sum had been *erroneously* considered as still outstanding, and that the error had arisen from the paying off in the month of December 1822, of certain bills

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bills of about that amount which had been issued in the month of January of the same year for church building and for the employment of the poor, for the paying off of *which no Vote of Parliament had been obtained, so that the payment must have been made from the funds voted and applicable to other services of the year* 1822, and that with a view to re-obtain this amount in the accounts from Parliament, the bills in question thus paid were returned as still outstanding and unpaid, when they had, in fact, been paid; and this sum of 25,050*l.* was accordingly included in the Estimates and voted, in addition to the amount required for the following year (1823), and that this arrangement had been adopted, with the concurrence of Mr. Hill, at that time one of the secretaries to the Treasury, for the purpose of adjusting the ways and means; and the return of this sum as outstanding seems to have been continued afterwards in error.

We have referred to our audited accounts for the years alluded to, for the purpose of ascertaining, if possible, whether they confirmed this supposed cause of the irregularity, but we only find that in the year 1822 the sum of 250,050*l.* in Exchequer Bills was paid off (out of a larger sum voted) from bills issued for poor employment, and that 58,050*l.* was also paid off from bills issued for church building; such bills for that joint amount having been cancelled and delivered up; but we cannot identify any bill of those which are supposed to have made up this sum of 25,050*l.*, although they may have formed a portion of the two larger sums just specified as having been paid for poor and for church building, but there is nothing to connect this payment of 25,050*l.*, with the general payments under those heads of service.

The third item, 5,700 *l.*, is stated to have been composed of bills issued previously to the year 1816, and which sum the Paymasters in their letter to your Lordships, of 24th January 1842, recommend to be withdrawn from the list of overdue and outstanding bills.

In this case also we are unable to afford any explanation: this sum is presumed to have been the amount of Supply Bills outstanding, but we can neither trace the particular service for which they were issued, or the number, value or date of any one bill. The Paymasters in their letter to your Lordships above referred to, state that on the 5th January 1823 these bills (together with others since brought in and paid) were first returned as outstanding, and as having been issued prior to 1816, and that after a diligent search in their office, in which up to the year 1805, the records were but imperfectly kept, they cannot find any means by which to afford your Lordships a satisfactory explanation of this transaction.

Under these circumstances, although it is perhaps, just possible that some one of these bills, if really outstanding, may be presented for payment hereafter, as there are no clear records in the department to show that they really are outstanding or any particulars respecting them, we concur in opinion with the Paymasters that it would be advisable to discontinue the returning of them as outstanding, as if it were known clearly that there were old bills to that extent outstanding, and what particular bills they were, we consider it would be better that your Lordships should cause the same course to be pursued with respect to this sum of 5,700 *l.*, as with respect to the 25,050 *l.*; thus leaving the sum of 15,900 *l.* as the only clearly verified amount of bills overdue and outstanding, of which the particulars are specifically and properly entered in the books of the Paymasters, and of which a schedule has been exhibited to your Lordships in a paper accompanying the documents upon which the present report is founded. At the same time we would suggest, that your Lordships should cause instructions to be given to the Paymasters of Exchequer Bills, that in the event of any bill being hereafter presented to them for payment, which may purport to have been issued previously to the year 1816 (with the exception of the 12 bills amounting to 1,700*l.*, issued before 1816, and forming a part of the 15,900*l.* just mentioned), a special report thereon should be made by them to your Lordships, previously to the payment of the same calling for your Lordships' directions in respect thereto.

Finally, we have only to observe, in respect to the variations in the Paymaster's certificates of outstanding bills given by their department at different times, and remarked upon by Lord Monteagle in his letter to your Lordship of 28 February last, that the principal discrepancy is connected with the sum of 25,050*l.*, in respect to which it is distinctly admitted by the Paymaster's Department that one of their returns was incorrect; but we are inclined to think that the other variations are rather apparent than real, and are partly at least to be attributed to the manner in which the certificates are headed, some purporting to be of *all* the bills outstanding at the date of the certificate, others merely *an* account of bills outstanding at the particular period when the certificate was granted; and from copies of some of those returns obtained by us from the office of the Paymasters, we are of opinion that although some discrepancies may exist, yet that some of the certificates could never have been intended at the time to express the precise gross number and amount of bills outstanding at the date of the instrument, but that they were to be considered as continuous or additional returns to others which had preceded them; and we are confirmed in this view of the case by that part of Lord Monteagle's letter, wherein he refers to the circumstances of its having been made to appear that in the year 1828 Lord Grenville, the then Auditor of the Exchequer, and the Paymasters had agreed that not one single Exchequer Bill was at that time outstanding which had been issued previously to the year 1816.

From whatever cause this impression may have been formed, we feel assured that it must have originated in error, since at no period for a considerable time back was it in our opinion probable, owing to the nature of the service, that every bill could have been paid off. Upon the whole we do not think that any material benefit is likely to ensue from a farther investigation

vestigation of the circumstances under which these certificates have been at different times made out and presented.

The material question seems to be upon what data returns of this description ought to be rendered in future, as being the most correct which can now be made out from the official records, and we are of opinion that such returns should be upon the principle that the sum of 15,900*l.* was the amount outstanding on the 6th day of December 1841.

We have, &c.
(signed) *F. S. Larpent.*
H. F. Luttrell.
J. Osborn.

The Lords Commissioners of Her Majesty's Treasury.

Exchequer, 7 July 1842.

Comptroller-general to Treasury, 7 July 1842.

My Lords,

I HAVE to acknowledge your Lordships' letter of the 5th instant, enclosing a copy of the Report of the Auditors on the subject of the discrepancies in the statements made by the Paymasters of Exchequer Bills respecting the number and amount of Exchequer Bills outstanding.

Your Lordships are pleased to request my opinion on the expediency of adopting the course recommended by the Commissioners of Audit.

The discrepancies and confusion which appear on the face of these documents are so great, and of such long standing, that it is extremely difficult to form any very correct estimate of the proper steps to be adopted. Any adjustment of this account upon arbitrary grounds will be wholly irreconcileable with the Parliamentary accounts, and with the facts of the case.

I presume that in the accounts of Exchequer Bills unpaid and outstanding, made up to the 5th January 1842, and forming a part of the Finance Accounts of the year, the two sums of 25,050*l.* and 5,700*l.* will have necessarily entered. If these two sums are simply excluded from the accounts to January 1843, it will seem that 30,750*l.* of the unfunded debt has been paid off during the 12 months, more than has been the fact; this would render the public accounts to that extent irregular and delusive.

It appears that on Mr. Wood's appointment in 1827, he found 25,050*l.* returned as of bills outstanding, and that he supposed such bill to exist, but that he afterwards found that this sum was erroneously described. He does not state when or from whom this communication was received, but what is clear is, that no step was then taken to correct the error; but that till I brought the matter under your Lordships' notice this error was allowed to continue.

It is stated by the Auditors that bills to this amount, if included in the bills paid off in December 1822, must have been discharged from funds voted and applicable to other services of the year 1822, and these must consequently have been paid off in violation of the Appropriation Act of that Session. I presume there must have been either some serious neglect, or some very imperative necessity, to produce such a course; I am unable to trace the matter from any information in this department.

But if these bills were irregularly paid off, the continuance of their account from 1823 to 1842 in the accounts rendered to the Treasury and to Parliament year by year, is still more erroneous and incomprehensible. If the course recommended by the Commissioners of Audit is followed, I should submit that steps should also be taken for the correction and explanation of the Parliamentary accounts. If this is done, and the two sum of 25,050*l.* and 5,700*l.* are struck off altogether, the sum of 15,900*l.* will remain, of which the particulars are clearly known; and if the arrangements now adopted are strictly adhered to, no further confusion is likely to arise.

I should, however, recommend that once in the year, if not more frequently, the Paymasters should furnish to your Lordships a schedule of the numbers and denominations of all Exchequer Bills outstanding on which the interest had ceased, adding a certificate that the counterfoils of such bills were in their custody and possession.

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

The Lords of the Treasury.

Treasury Chambers, 9 August 1842.

Treasury to Comptroller-general, 9 August 1842.

My Lord,

THE Lords Commissioners of Her Majesty's Treasury having had under their consideration your Lordships' Report, dated 7th ultimo, on the subject of the discrepancies in the statements made by the Paymasters of Exchequer Bills respecting the number and amount of Exchequer Bills outstanding, I am commanded to acquaint your Lordship, that in addition to the sums of 1,000*l.*, included and deducted from the outstanding bills in the Exchequer Certificate to the 1st January 1842, and of 25,050*l.* excluded by direction of this Board in the certificate to 5th January 1842, being 26,050*l.*, as stated in the Annual Finance Accounts laid before Parliament in the present year, my Lords are pleased to authorise and direct that the further sum in question of 5,700*l.* be also excluded from the accounts of outstanding and over-due bills not deemed necessary to be provided for.

I am, &c.
(signed) *C. E. Trevelyan.*

Appendix, No. 9.

(No. 10.)

Civil List Issues for Quarter differing from Charge.

Comptroller-general to Treasury, 23 March 1842.

My Lords, Exchequer, 23 March 1842.

I HAVE before me your Lordships' letter of direction of the 22d March 1842, for a credit to the Paymaster of Civil Services of 875*l.* for expenses of the Department of Master of the Horse for the quarter ended 30*th June* 1841, on account of the sum of 96,250*l.*, set forth in the Warrant of Appropriation of the 6th of January 1841, for the quarter ended the 31*st day of March* 1841; and I am directed to place the same in the accounts of this department as an issue out of the monies set apart from the Consolidated Fund to defray the charge of the 3d class of Her Majesty's Civil List for the quarter ended 31*st March* 1841.

It is provided by the 9th section of the 1st Vict. c. 2, "that if any saving or surplus "shall arise in any quarter in respect of any money appropriated for defraying the charges "of any particular class, *so as that the sum appropriated thereto shall be more than sufficient "for the full and complete payment of the charges thereon,* such quarterly saving or sur- "plus shall in every such case be carried forward in the Exchequer to the account and "credit, and be applied for the purposes of the class in which it shall have arisen, until "*the* 31*st of December in every year*;" after which it is made lawful to apply the same in aid of the charges of any other class (except the fifth), or of any charge upon Her Majesty's Civil List revenues.

Under these provisions, I humbly submit to your Lordships that I am not at liberty to grant a credit chargeable upon monies appropriated for the payment of the charge upon any class of the Civil List, for a given quarter, to be applied to the payment of the expenses of the same class in a subsequent quarter of the same year, unless I am apprised by your Lordships that "the sum so appropriated was more than sufficient for the full and com- "plete payment of the charges therein" in the quarter to the services of which your Lordships' warrant originally applied; and that I am still less at liberty to apply any apparent balance of the sum so appropriated after the 31st of December of the year in which the warrant is dated, unless your Lordships shall have directed me to apply the same as a yearly surplus in aid of the charges upon Her Majesty's Civil List.

I have, &c.
(signed) *Monteagle,*
Comptroller-General.

To the Lords Commissioners of Her Majesty's Treasury.

(No. 11.)

Draft Warrant for Public Works.

Comptroller-General to Mr. Trevelyan, 2 May 1842.

My dear Sir, Exchequer, 2 May 1842.

I RETURN the draft warrant under the 5th Vict., sess. 2, c. 9, which you referred to me, with an inquiry whether I saw any objection to the manner in which it is drawn. I have carefully considered the draft warrant, and do not think that it satisfies the exigencies of the Statute. Indeed I see much difficulty in considering how it can be made to do so.

Two things are contemplated in sect. 1 of the Act. The Treasury is empowered "by "warrant to *charge* the Consolidated Fund, after providing for all preceding charges, but "having preference of all future charges, and to *direct* the issue thereout of a sum not "exceeding 360,000 *l.* per annum, by quarterly issues, not exceeding 90,000 *l.* per quarter, "the same to become due on 5 January, 5 April, 5 July, 10 October; the first instal- "ment becoming due and payable on the 5th April 1842, or on the passing of this Act, "whichever shall last happen."

There are two things to be done,—a charge to be created, and an issue made.

The warrant does not, in terms, create any charge, though it refers *by inference* to a charge raised, and it directs an issue out of "growing produce," words not used in the Act at all.

I feel confident that the warrant, as prepared, is wrong; but how the charge is now to be made in the midst of a quarter, I know not; and if made, it could only take effect *after providing for existing charges.*

I have referred to the 1 Vict. c. 2, s. 15, and to 7 Will. 4, c. 9, s. 2, to try if these precedents would enable me to extricate the Treasury from its difficulty in the present instance, but those Statutes do not use the same words, and simply direct an issue.

Believe me, &c.
(signed) *Monteagle,*
Comptroller-General.

C. E. Trevelyan, Esq., &c. &c.

(No. 12.)

Issues suspended for Lord Manners' Pension; lapsed.

Comptroller-general to Treasury, 6 July 1842.

My Lords, Exchequer, 6 July 1842.

I HAVE had the honour to receive your Lordships' warrant of the 5th July, and your Assistant Secretary's letter of the same date, desiring me to authorise the Bank of Ireland to transfer to the account of Mr. Kennedy the sum of 19,752*l.* 15*s.* 4*d.* for annuities and pensions for the last quarter.

Referring

Appendix, No. 9.

Referring to the schedule furnished by Mr. Kennedy, I observe that it includes a sum of 922*l.* 12*s.* 11*d.*, being the amount of one quarter's allowance due to the late Lord Manners, as having formerly filled the office of Lord Chancellor in Ireland. As Lord Manners died before the 5th July, and as a retired allowance of this description is not payable beyond the day of the death of the party interested, I have felt myself unable to direct the transfer required. But as any delay with respect to the warrant, which is regular in other respects, would not have failed to create the most serious distress to individuals, and consequently an inconvenience to the public service, I have ventured to deduct the sum payable to the representatives of Lord Manners from the transfer, and to intrust the Bank of Ireland to issue the balance, 18,752*l.* 15*s.* 4*d.*

I trust that this course may meet your Lordships' approval, as being a preferable one to returning the schedule and warrant for correction previously to the transfer.

For the warrant of 5th July for England, there are also included the pensions to the late Sir William Alexander, Mr. Justice Littledale and Lord Rodney. Before the issues under this warrant are completed, I submit to your Lordships that similar directions should be in like manner made. So soon as the exact date of the death of Lord Manners is ascertained, and the amount payable to his Lordship's representatives is ascertained, on receiving your Lordships' sanction and approval to the course I have pursued, a supplementary transfer may be directed to be made by the Bank of Ireland to Mr. Kennedy's account.

I have, &c.
(signed) *Monteagle*,
Comptroller-General.

The Lords of the Treasury,
&c. &c. &c.

P. S.—I have just ascertained that the date of Lord Manners' death was 31 May 1842, which will enable your Lordships to advise me by your letter of direction what transfer should be made to Mr. Kennedy on account of Lord Manners' executors.

My Lord, Treasury Chambers, 11 July 1842.

Treasury to Comptroller-general, 11 July 1842.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship, in reply to your letter dated 6th instant, upon the subject of the amount directed by their Lordships' warrant, dated 5th instant, to be transferred by the Bank of Ireland to Mr. Kennedy, for annuities and pensions for the last quarter, that all pensions, of the lapse of which my Lords have not received authoritative information, are necessarily included in the charge on the Consolidated Fund made up on each quarter day, and the certificates of the amount required to be advanced by the Bank of England to meet the deficiency is furnished by your Lordship accordingly.

If, therefore, the credits for the amount required to pay the pensions were to be issued, minus the amount due on the particular pension supposed to have lapsed, a permanent discrepancy between the original charge and the credits subsequently given upon it would be established in all the classes of salaries and pensions charged on the Consolidated Fund, similar to the discrepancy in respect to the diplomatic salaries, the existence of which has already been found to be productive of considerable inconvenience on account of the appropriated balances set apart every quarter in the books of the Exchequer, when the sums required do not amount to the original charges.

As it would be improper for the Treasury to act upon common report, or upon statements contained in newspapers, it has always been the rule, in order to secure the public against over-payments on pensions not paid to the parties themselves, to require the production of a life-certificate previously to any payment being made, or if the party should have deceased, a certificate of the date of his death and letters of administration, or a probate of wills.

It is the duty of the Paymasters of Civil Services to ascertain these particulars, and the savings on the broken period of the quarter within which each party died are periodically repaid by the Paymaster of Civil Services (as an imprest accountant) to the Consolidated Fund, and the sum so repaid appears in the Annual Finance Account, under the head of "Imprest and other Monies."

It appears to their Lordships that any arrangement that could be devised, by which the functions at present performed by the Paymaster of Civil Services in regard to ascertaining the date of the decease of each pensioner could be performed by the Treasury, and the credits on the Exchequer could be suspended until the facts had been ascertained, would be attended with serious inconvenience, and after every precaution had been taken, the object would still be only imperfectly accomplished, particularly in respect to pensioners residing abroad, and to persons receiving small pensions at home, whose deaths are not a matter of public notoriety.

For these reasons, it appears to their Lordships that they cannot give their sanction to the existing practice on this subject being disturbed.

I am, &c.
(signed) *C. E. Trevelyan.*

To the Comptroller-General of the Exchequer.

Appendix, No. 9.

Comptroller-general to Treasury, 12 July 1842.

My Lords, Exchequer, 12 July 1842.

I HAVE the honour to acknowledge your Lordships' letters of the 11th, on the subject of the amount authorised by the Treasury warrant of the 5th instant, directing the transfer to Mr. Kennedy of 18,752 *l.* 15 *s.* 4 *d.* for annuities and pensions stated to be due for the last quarter, which warrant comprehended the retired quarter's allowance of 922 *l.* 12 *s.* 5 *d.* to the late Lord Manners, and 782 *l.* 16 *s.* 4 *d.* to the late Earl of Shannon, neither of which sums can be fully due, as the death of both those noblemen occurred within the quarter. To the former of these cases I called your Lordships' attention, the latter having escaped my notice till the following day, and the decision upon the first case being such as to determine the principle. The same points also arose in respect to the pension of the late Lord Rodney, Sir William Alexander and Sir J. Littledale.

The doubt which I felt, and continue still to feel, is, whether I was warranted under the 4 & 5 Will. 4, c. 15, s. 13, to direct a credit or a transfer for more than the sum legally due.

Your Lordships are pleased to inform me that all pensions, of the lapse of which you are not authoritatively informed, are necessarily included in the charge on the Consolidated Fund made up on each quarter day, and that if credits to the same amount are not issued there will be a permanent discrepancy between the original charge and the credits subsequently given, which will be productive of inconvenience to the public service. Your Lordships afterwards explain, how, under the able and efficient control of Mr. Sargent and Mr. Kennedy, any undue issue will be guarded against. I hope I need not express my entire confidence in the accuracy of those two most admirable public servants, nor yet my desire in every respect to avert any public inconvenience; but that on which I am called upon to decide is what the law commands me to perform in this office.

When your Lordships considered that the charge on the Consolidated Fund ought to include all pensions, of the cessation of which no authoritative information had been received, it had escaped your Lordships' observation, that in respect to this warrant several pensions had been excluded, on the presumption of their lapse, by reason of the *non-claims* of the parties, and without any authoritative information that such pensions had fallen in.

The pensions and allowances to which I allude, are the following:

H. Hughes.
Eliza Gifford.
Jane Moore.
A. Paislow.
C. Richardson.
Maria Gilholy.
Anne Sneyd.

In every one of these several cases the pensions are excluded, not on the ground of authoritative information, but either on the ground of continued non-claim, or of a report that the parties are dead.

If these pensions are properly excluded, it would seem to follow that where the death of the parties was perfectly notorious, as in the case of Lords Shannon, Manners and Rodney, and the retired Judges, Alexander and Littledale, a similar rule should be applied. Indeed, in respect to the death of Lord Shannon, the most authoritative information is given, as by the Journals of the House of Lords, evidence before your Lordships and before me, the present Lord Shannon has applied to establish his right of voting as a Representative Peer, which is conclusive proof of the death of his Lordship's predecessor and father.

Your Lordships will observe that by any other construction, in the event of no claim being made on the public for the amount of salary due at the time of death on the part of the personal representatives of the deceased, the charge would be indefinitely continued, and the check, both of your Lordships' office and of the Exchequer, would be altogether lost.

But further, by 4 Will. 4, c. 15, s. 13, the warrant for charges on the Consolidated Fund is authorised to issue only in the cases in which the late auditor was required to make and pass debentures for the several charges.

Now in no instance would debentures have been issued by the auditor for sums not actually payable to the parties interested, and in the case under consideration the debentures for the representatives of Lords Manners, Shannon, Rodney, &c. would not have been for the quarter's salary, but for the fractional part of that quarter accruing due.

The duty of the Comptroller seems prescribed with an accuracy which, however, needs no analogy to explain it. In these cases the pension to Lord Manners under the 40 Geo. 3, c. 69, is for his life only; the retired allowances to Sir William Alexander and Sir J. Littledale were for their lives only, by virtue of 39 Geo. 3, c. 110; 53 Geo. 3, c. 153; and 6 Geo 4, c. 84.

The pensions to Lord Rodney are partly for life and partly in perpetuity. The Comptroller is bound "first to satisfy himself that the payments directed are according to law." Now where it is within his own knowledge that the life for which an annuity was originally granted has dropped, and the grant has consequently ceased, or where, as in the case of Lord Shannon, there is conclusive evidence of the death of the party, I do not see how it is possible that he can direct a payment, under the conviction, however well founded, that by vigilance of another department the legal payment, and that payment only, shall take place.

If

If this leads to inconvenience, I respectfully submit to your Lordships whether the proper course to be taken would not be to insert a clause in the Bill, which it is the intention of Her Majesty's Government to introduce, which shall amend the existing law. If so desired by your Lordships, I shall give my best care to the preparation of such a clause, or shall, in any other way, most gladly devote my poor services to the furtherance of your Lordships' wishes for the public interests.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Lords Commissioners of
Her Majesty's Treasury.

My Lord, Treasury Chambers, 3 August 1842.

Having laid before the Lords Commissioners of Her Majesty's Treasury your Lordship's further communication, dated 12th ultimo, on the subject of the arrangements for making the final payment on lapsed pensions, I am commanded to acquaint your Lordship that my Lords will be prepared to consider the subject of the clause proposed by you whenever a Bill shall be introduced into Parliament connected with the Exchequer.

Treasury to Comptroller-general, 3 August 1842.

I am, &c.
(signed) *C. E. Trevelyan.*

Comptroller-General of the Exchequer.

(No. 13.)

Unauthenticated Addition to Irish Schedules.

My Lords, Exchequer, 7 January 1843.

I have to acknowledge the receipt of your Lordships' warrant of 6 January, directing the charge to be placed on the Consolidated Fund in Ireland for the expenses of the courts of justice. The Treasury warrant refers to the accompanying schedule from the Paymaster of Civil Services in Ireland, which appears to have been signed by Mr. Kennedy, on 24 December 1842, and as so made up and authenticated, it purports to contain charges, amounting in the whole to 31,934 *l.* 11 *s.* 4 *d.*

Comptroller-general to Treasury, 7 January 1843.

To this sum there has been added, after the signature of Mr. Kennedy, a further entry to the following effect, which entry is made in another hand. It is not authenticated by Mr. Kennedy, or any one else:

The Honourable David Plunket, Prothonotary, Common Pleas, for contingent expenses - - - - - - - - - £. 606. 3. 7.

which is added to the former total, making up a sum of 32,540 *l.* 14 *s.* 11 *d.* That this is an interpolation is obvious; and the following page, which contains a comparative account of the charge for the last and the current quarter, states the letters at 31,934 *l.* 11 *s.* 4 *d.*, and not at 32,540 *l.* 14 *s.* 11 *d.* As the latter sum is included in your Lordships' warrant, though irregularly added to Mr. Kennedy's schedule, I have felt myself at liberty to direct the charge to be made for the larger sum. In this I trust I may be sanctioned by your Lordships, although the addition to any public document after the signature of the same by any responsible officer, and without the attestation of some person duly authorised, is a practice which manifestly leads to inconvenience and incorrectness.

I have, &c.
(signed) *Monteagle.*

The Lords of the Treasury,
&c. &c.

My Lord, Treasury Chambers, 19 January 1843.

I am commanded by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of your Lordship's letter, dated 7th instant, calling their Lordships' attention to an unauthenticated addition which appears to have been made to the schedule of the Paymaster of Civil Services in Ireland, dated 24th December 1842, upon which their Lordships' Warrant of the 6th instant was founded, directing the charge to be placed on the Consolidated Fund in Ireland for the expenses of the courts of justice.

Treasury to Comptroller-general, 19 January 1843.

My Lords desire me to state that they approve of the course which your Lordship has taken on the present occasion, in directing the charge to be made including such addition, the same having been included in their Lordships' warrant; and I am instructed to add, that in future whenever it shall be found necessary to make any alteration or addition to such schedules after they have been signed, the alteration or addition will be authenticated by the signature of one of the Secretaries of the Treasury.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer,
&c. &c. &c.

Appendix, No. 9.

(No. 14.)

Legality of Consolidating Army Votes in One Royal Order.

Treasury to Comptroller-General, 8 April 1844.

My Lords, Exchequer, 8 April 1844.

I CANNOT but feel reluctance in suggesting any doubt respecting the strict accuracy of the method in which the execution of one branch of the public business has been conducted both by the Board of Treasury and the Exchequer, since the establishment of the latter office. But as a question might be raised on the subject, I think it infinitely better to bring the whole under your Lordships' consideration, in order that all doubts may be resolved by the opinion of the law advisers of the Crown.

The difficulty which I feel is in respect to the form of Royal Orders for Army, Navy and Ordnance Services, including the Commissariat. This difficulty arises before the enactment of the Annual Appropriation Act. These services are voted respectively, as your Lordships know, by many distinct Resolutions. The Royal Order is prepared on an aggregate of these Resolutions. If it be the true intent and meaning of the 4th Will. 4, c. 15, s. 11, that the Exchequer check and control should be applied, so as to prevent the possibility of an excess of issue beyond these several Resolutions, that check is not applied, though the aggregate amount of the Resolutions cannot be exceeded.

On the contrary, if the exigency of the statute is satisfied by preventing an undue issue to the service, for which the aggregate of votes has been taken, the present practice is correct.

I have the honour of enclosing a statement of the facts of the case, and a reference to the authorities under which I act; and I request that your Lordships will be so good as to submit the question to the law officers, and to communicate their opinion to me for my future government.

I have, &c.

The Lords of the Treasury, &c. &c. &c.

(signed) *Monteagle*, Comptroller-General.

CASE.

Case for opinion for Law Officers.

DOUBT having been entertained with respect to the true construction of the 4th Will. 4, c. 15, so far as it relates to the mode of making issues for the public service, it is requested that the opinion of the law advisers of the Crown should be taken thereon, for the future guidance of the Comptroller-general of the Exchequer. The issues respecting which these doubts have arisen, are those for the Navy, Army, Ordnance, and Commissariat Services.

The authorities under which all these issues are made are the 4th Will. 4, c. 15, and the Treasury Minute, 26th September 1834, together with the directions given by the Treasury, 6th October 1834.

To render the question intelligible, it is expedient to state the exact mode of proceeding in respect to all supply issues, to which alone the present case applies.

These issues may be classed under two heads: the first, the issues made during the progress of the Parliamentary Session, and before the passing of an Appropriation Act; the second, after the Appropriation Act has passed, and in accordance with its provisions. It is unnecessary to allude to the latter case.

The preliminary step taken in respect to the first class of payments, respecting which only the present doubts have arisen, is, that a vote or votes should be passed in Committee of Supply, and should be reported to the House, and agreed to.

A corresponding vote in Ways and Means must then be taken, reported, agreed to, and an Act passed founded thereon.

In every such Act is contained a clause to the following effect: "And be it further "enacted, that it should be lawful for the Treasury to issue and apply such sums as may be "raised under this Act to such services as shall have been then voted by the Commons of "the United Kingdom." *Vide*, for example, 4 Will. 4, c. 3, s. 11.

The annual estimates may be classed under various heads: The Army, Navy, Ordnance, Commissariat, and Miscellaneous. The Army Estimate for 1844-5 has been voted by seventeen separate Resolutions, as follows:

Vote 1.	Number of Men	—
„ 2.	Charge of Land Forces	£. 3,431,764
„ 3.	Staff Officers	158,231
„ 4.	Public Departments	90,308
„ 5.	Royal Military College	—
„ 6.	Royal Military Asylum	13,408
„ 7.	Volunteer Corps	88,077
„ 8.	Unprovided for Services of former years	1,649
„ 9.	Rewards for distinguished Services	13,953
„ 10.	Army Paymaster-general	77,000
„ 11.	Full pay for Retired Officers	62,300
„ 12.	Half-pay and Military Allowances	450,000
„ 13.	Foreign Half-pay	54,932
„ 14.	Widows' Pensions	141,610
„ 15.	Compassionate List	110,000
„ 16.	In-pensioners	1,252,792
„ 17.	Superannuations	38,500

The

The Navy and Ordnance Votes are taken on Estimates prepared in a similar manner, that is to say, by *separate* Resolutions, without any one general Resolution, either summing up the whole sum voted for one Service, or the whole sums voted at any one particular time.

The Commissariat is voted in like manner also.

The Miscellaneous Services are all voted by separate Resolutions. The following transcript of No. 1, of the Miscellaneous Estimates for 1844-5, will exemplify the practice:

	£.
Buildings and Palaces	112,190
Houses of Parliament	5,240
New Houses	60,000
Trafalgar Square	7,000
Holyhead Roads, &c.	4,164
Caledonian Canal	50,000
Buildings in Ireland	26,871
Kingston Harbour	8,000

There is not any general Resolution taken summing up these votes, or showing the amount voted on any particular day.

It is the Parliamentary practice to vote such number of Resolutions as time and convenience may permit on each Supply night, and such Resolutions are reported and agreed to on subsequent nights, in like manner.

After the Vote in Supply has been taken, and Ways and Means provided, as already described, the next step is to obtain a Royal Order, a Treasury Warrant, and a letter of direction, addressed to the Comptroller-general, and authorising the specific issue or issues which may be required. The mode in which these instruments are to be made out, and their force and obligation, are set forth in the following sections of the Act constituting the Comptroller-general's office:

"XI. And be it further enacted, that from and after the commencement of this Act, "whenever any sum or sums of money shall have been granted to his Majesty by any Act "of Parliament, or Vote of the House of Commons, for any specified branch of the public "service, and Ways and Means shall likewise have been granted for satisfying and making "good the same, it shall be lawful for his Majesty, by his Royal Order, under the sign "manual, to be countersigned by the Commissioners of the Treasury, to authorise and "require the said Comptroller to place at the Bank of England, to the credit of the Public "Accountant to the Crown, in the respective branch of service, the amount of the sum so "granted or voted, at such times and in such proportions as the said Commissioners shall "from time to time direct to be applied by such officer to such service, and that such "Royal Order shall contain a reference to the particular Act or Vote of Parliament, and "shall, after having been recorded and entered by the Commissioners of the Treasury in "their books, be transmitted to the said Comptroller, to be entered on record, and to remain "in his office, the said Comptroller having first satisfied himself that the said order has been "made in conformity with and has not exceeded the amount of the Grant of Parliament.

"XII. And be it further enacted, that it shall be lawful for the Commissioners of the "Treasury, by warrant under their hands, from time to time, as they shall see expedient and "proper, to authorise and require the said Comptroller to transfer from the general Fund of "the Exchequer at the Bank, to the credit of the respective officers whose duty it shall be to "make payments on account of the several public departments, such sums as shall be requisite "for carrying on the respective services, and every such warrant shall recite the substance "of the Royal Order upon which it is founded, referring to the Act or Vote therein mentioned, and shall specify the total amount of the monies authorised by such order to be "issued, and the credits (if any) which have previously been issued on account thereof, and "of the balance still remaining to be issued; and upon the receipt of every such warrant "at the office of the said Comptroller, the same shall be compared with the Royal Order "and with the preceding warrants (if any) which shall have been made in pursuance thereof; "and the said Comptroller having satisfied himself that such warrant has been made in "conformity with and has not exceeded in amount the Royal Order, shall, from time to "time (in pursuance of directions to that effect from the Commissioners of the Treasury), "by a warrant under his hand, authorise the Governor and Company of the Bank of "England to grant credits on account of the sum or sums therein mentioned to the person "or persons therein described, which warrant shall be forwarded to the said Governor and "Company, who, on the receipt thereof, shall grant the credit thereby required."

Appendix, No. 9.

The form of the Royal Order, authorising the Comptroller-general to grant credits for Army, Navy, Ordnance and Miscellaneous supply services, according to such warrant and directions as he shall receive from the Treasury, was transmitted on the 6th October 1834, and is as follows:

ROYAL ORDER.

PUBLIC SUPPLY SERVICE, 1834–35.

NAVY.

Our will and pleasure is, that you do place to the credit of the Right honourable the treasurer of our navy, or the treasurer of our navy for the time being, the sum of granted to us by Resolution of the House of Commons, bearing date for naval services, at such times, and in such proportions, and out of such funds granted by Parliament for this service, as shall be specified in the warrants and directions, which you will receive for your guidance from the Commissioners of our Treasury.

Given at our Court at this day of by his Majesty's commands.

Amount of Navy votes or grants for 1834–35 - - -

Credits already authorised thereon by Royal Orders -

Remains - - -

To the Comptroller-general of our Exchequer.

As it is in respect to the construction of the Royal Order only that any difficulty arises, and that the advice of the law officers is requested, it is not necessary to confuse the case by any observations respecting Treasury Warrants, Letters of Direction or Exchequer Warrants founded thereon.

It has already been shown that the Army Estimates include 17 separate and distinct votes, of which 15 were for money, and that these votes amounted in the whole to 5,984,524 *l.*; and the miscellaneous votes, No. 1, include eight money votes, amounting in the whole to 273,465 *l.* The usage has been to include and consolidate the several army votes in one Royal Order, on which the Treasury Warrants, Letters of Direction and Comptroller-generals' Warrants are afterwards founded; but in regard to the miscellaneous votes, separate and distinct Royal Orders, Warrants and Letters of Direction are prepared, on which separate vouchers, distinct Exchequer Warrants are signed by the Comptroller-general. The blank of the form of Royal Order is thus, in the case of Army, Navy and Ordnance services filled up with a gross sum, stated to be granted by the House of Commons, whilst no such general resolution has, in point of fact, ever been passed, though separate resolutions, making together the aggregate sum set forth in the Royal Order, have been agreed to by the House. The result of this difference of practice, as respecting the greater services and the miscellaneous services, may be illustrated by the following example. Under the present practice no issue can be made for the first vote of the miscellaneous services exceeding the sum of 112,190 *l.*, the sum voted for that service by a specific and particular resolution, whilst, on the contrary, in respect to any vote for the army, as, for example, that of 110,000 *l.* for the Compassionate List, the Comptroller-general has no means of judging whether the sum exceeding the separate resolution may not be issued; all check upon the distinct issue, as derived from the distinct and separate resolution, being lost altogether, so far as the Exchequer is concerned, though a check exists against any excess on the whole consolidated votes, and on the aggregate sum granted for Army services.

Such is the mode of proceeding in respect to the current issues during the Parliamentary Session, and before the appropriation Act has passed, and the question on which the opinion of the law officers is required is, whether, in reference to the 4th Will. 4, c. 15, s. 11, hereinbefore set out, it is lawful to consolidate and unite all the separate Army votes in one Royal Order, or whether the same course is necessary to be taken by law as is now pursued in relation to the miscellaneous services, a separate and distinct Royal Order being prepared, founded on each particular vote of Parliament or resolution of supply agreed to, upon which and not exceeding which Royal Order, the Comptroller-general is justified in issuing his Exchequer Warrants to the Bank of England.

(signed) *Monteagle*,
Comptroller-general.

Appendix, No. 9.

My Lord, Treasury, 24 June 1844.

I am commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith for your Lordship's information, with reference to your letters of 8th and 16th April last, an extract from the case which had been laid before the law officers of the Crown, together with a copy of their opinion upon the subject of the Royal Orders, for Army, Navy and Ordnance Services. Treasury to Comptroller-general, 24 June 1844.

I am, &c.
(signed) *G. Clerk.*

Extract of Case as to the Practice of obtaining and making Issues from the Exchequer for Army Services.

The Attorney and Solicitor-general are requested to advise on the question raised by the Comptroller-general. Opinion of Law Officers.

Whether with reference to the statute 4 Will. 4, c. 15, s. 11, 12, it is lawful to consolidate and unite all the separate Army votes in one Royal Order, or whether the same course is necessary by law as is pursued in relation to Miscellaneous Services, a separate and distinct Royal Order being prepared, founded on each particular vote of Parliament or resolution of Supply agreed to, upon which, and not exceeding which Royal Order, the Comptroller-general may be justified in issuing Exchequer Warrants to the Bank of England.

Opinion:

We do not think that it is necessary to have a distinct and separate Royal Order for each separate vote for Army Services. We think that the several votes for the branch of the public service may be united in one Royal Order.

(signed) *W. W. Follett.*
F. Thesiger.

(No. 15.)

Examination and Control of Royal Orders.

Minute, 24 March 1845.

The Comptroller-general takes into his consideration the mode in which the important branch of his duty, which relates to the examination and control of Royal Orders and Treasury Warrants, is performed, and it appears to him that a considerable improvement may be effected thereon. Comptroller-general's Minute, 24 March 1845.

It was formerly the usual habit to bring the Royal Orders and Treasury Warrants under the consideration of the Comptroller-general, at the time only when issues were required to be made for the Public Service, although such Orders and Warrants might have been for some time previously transmitted from the Treasury to the Exchequer. Of late, and since the Minute of the 22d August 1843, p. 132, a better system has been introduced, and at the close of the Committee of Supply in each Session, the Orders and Warrants forwarded to the Exchequer have been brought under his cognisance: they have been carefully compared with the authorities under which they have been prepared, and when their strict accuracy has been ascertained, they have been noted by him, and initialled in testimony of such examination, and approved. See also Minute, 15 August 1844, p. 157.

It is the opinion of the Comptroller-general that this improvement may be carried still further, and a possible public inconvenience may be rendered less possible.

By the existing system, it might so happen that an irregularity or defect in an Order or Warrant should not be discovered in time for its reasonable and easy correction. Cases are possible, in which the interposition of the Legislature might be required, the opinions of the law officers might be sought for, or new Orders might be substituted for the Royal Sign Manual. The delay incidental to such proceedings, even if the circumstances always admitted of having recourse to the appropriate remedy, could not fail to be considerable, and might be greatly prejudicial to the public service. Of this, the events which occurred on the 15th October 1841 (see Correspondence-book, p. 146) is a memorable example, in relation to which case it was not till the 28th December following (see Minute-book, p. 65) that the amended Royal Order and Warrant was forwarded for the consideration of the Exchequer.

For the purposes of guarding against the inconvenience which might result from any similar instance, the Comptroller-general directs that henceforth, whenever any Orders or Warrants are submitted by the Treasury to the Exchequer, these documents are to be forthwith brought under examination, and a comparison made between them, and the authorities on which they are founded, and that in the event of any informality appearing in these instruments, or any legal objection arising, an immediate communication to that effect be addressed to the Treasury; the present system in other respects remaining unchanged.

(signed) *Monteagle,*
Comptroller-general.

Appendix, No. 9.

(No. 16.)

Discrepancy in Royal Order for New Zealand.

My Lords, Exchequer, 11 August 1845.

Comptroller-general to Treasury, 11 August 1845.

Among the Royal Orders and Treasury Warrants transmitted to me with Mr. Cardwell's letter of the 9th instant, I have found a Royal Order and corresponding Warrant for 7,565 *l.*, referring to a Resolution of the House of Commons, of 31st July 1845, to defray the charge of the colony of New Zealand.

I have referred to the Votes of The House of that date, and find that the Resolution which passed was not for 7,565 *l.*, but for 22,565 *l.* In other respects, except as relates to the discrepancy of the sum, the Order and Warrant are correct.

I report this to your Lordships without delay, in order either that a new and corrected authority should be furnished to me, or that a supplemental authority should be given for the balance between the greater and the lesser sum, without which I should not feel at liberty to direct a credit for a sum exceeding 7,565 *l.*

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury.

My Lord, Treasury Chambers, 13 August 1845.

Treasury to Comptroller-general, 13 August 1845.

I am directed by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of your Lordship's letter, dated 11th instant, calling their attention to an error in the amount stated in a Royal Order and corresponding Warrant for 7,565 *l.*, to defray the charge of the colony of New Zealand, which was forwarded to you with the letter of this Board of 9th instant; the Resolution of the House of Commons, of 31st July 1845, referred to in the said Royal Order having passed, not for 7,565 *l.*, but for 22,565 *l.*; and I am desired to request that your Lordship will return the Royal Order and Treasury Warrant referred to, in order that their Lordships may give directions for the preparation of fresh instruments.

I am, &c.
(signed) *Edward Cardwell.*

To the Comptroller-General, Exchequer.

(No. 17.)

Four Votes for Law Charges consolidated in One Royal Order.

My Lords, Exchequer, 31 July 1846.

Comptroller-general to Treasury, 31 July 1846.

I beg to call your Lordships' attention to the Royal Order and Treasury Warrant of the 18th July, acted upon by your secretary's letter of the 22d instant.

These documents introduce a new practice, which I think will be found inconsistent with the mode in which the public business has heretofore been transacted, and the public accounts kept both at the Exchequer and the Bank of England, and deprives this office of the power of seeing that sums granted for particular services are not exceeded.

The Royal Order and Warrant in question consolidate, in one sum of 57,568 *l.*, four separate grants heretofore kept separate and distinct; they are as follows:

	£.	*s.*	*d.*
Law charges paid by Treasury solicitor - - -	21,000	–	–
Mint prosecutions - - - - - - -	10,600	–	–
Sheriffs' expenses, officers of Exchequer - - -	12,600	–	–
Insolvent Debtors' Court - - - - -	13,368	–	–

These sums, amounting in the aggregate to 57,568 *l.*, are applicable to four separate heads of expenditure, kept in this office and at the Bank under separate accounts. There are also four distinct accountants: your Lordship's solicitor, Mr. Maule; Mr. Shiel, as Master of the Mint; Mr. Sargent, as Paymaster of Civil Services; and Mr. Massey, the chief clerk of the Insolvent Court.

On some of these accounts, balances still remain to the credit of the accountant. If that separate account be kept, it will be difficult and inconsistent to combine with it issues from the new account proposed to be opened for 57,568 *l.*

Besides these technical objections, your Lordships will observe that the control of this department ceases altogether, in respect to the appropriation of this sum between those several heads of service. Provided the total sum of 57,568 *l.* be not exceeded, the whole vote might be expended on any one of these heads, and the three others left unprovided for, the sum intended for the Insolvent Court might be issued to your Lordships' solicitor, or the Mint might absorb what had been provided for the expenses of the sheriffs.

I therefore beg to represent to your Lordships that both from the necessity of adhering to established practice, from the expediency of avoiding complex and confused accounts, and from the obvious duty of maintaining unchanged the constitutional control of the Exchequer, the more regular system shall be in future pursued.

If

If your Lordships should concur in these observations, the present period of the Session seems to me to afford the means of acting upon them in the case I have brought before you, and this without much difficulty, and in a legitimate manner. If in the Appropriation Act the four separate votes and heads of service are recited distinctly, and that in the meanwhile I receive your Lordships' authority to make the issues and keep the accounts in the accustomed manner, I conceive this will be sufficient to govern me.

I have, &c.
(signed) *Monteagle*,
Comptroller-General.

(No. 18.)

Separation of Balances in Bank Statement.

Gentlemen, Exchequer, 24 August 1846.

I BEG leave to call your attention to the Exchequer Account of the Paymaster-general as to the mode in which the balance on his accounts is returned by you to this office in your quarterly statement of balances of public accountants. Comptroller-general to Bank of England, 24 Aug. 1846.

In the statements alluded to, one general balance is given, on the Paymaster-general's accounts kept at the Bank of England, by the 23d section of the Act 4 Will. 4, c. 15, the balances on each head of service according to credits granted by the Comptroller-general are required to be stated in the accounts transmitted annually from this department to Parliament. I have therefore to request that in future you will give directions for the Exchequer balance to be so stated separately as to enable me effectually to comply with the provisions of the said Act.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Governor and Deputy Governor
of the Bank of England.

My Lord, Bank of England, 28 August 1846.

I HAVE the honour to acknowledge the receipt of your Lordship's letter of the instant (no date), suggesting certain alterations in the present mode of returning the balances of the Exchequer Account of Her Majesty's Paymaster-general; and in reply I am directed to state that instructions have been given to the proper officers of the Bank to make future returns in question, in conformity with your Lordship's suggestion. Bank Cashier to Comptroller-general, 28 Aug. 1846.

I have, &c.
(signed) *M. Marshall*,
Chief Cashier.

The Right hon. Lord Monteagle.

(No. 19.)

Neglect of Payment by Treasurer of Surrey.

My Lords, Exchequer, 24 July 1848.

I BEG to call your Lordships' attention to the fact, that in reference to the payments directed to be made by the Justices of the Peace of Middlesex, Surrey and Kent, and the Corporation of London, respecting the payments under the Act 7 & 8 Vict. c. 84, s. 96, and 9 Vict. c. 5, s. 6, the half-year's payment due June 1846, by the county of Surrey, was made October 8, 1846; no further payment has been made since the above date. Comptroller-general to Treasury, 24 July 1848.

Of this your Lordships are already aware, by the absence of acknowledgment of any such payments in the ordinary returns which I have made to you weekly, which is the regular mode in which the neglect of this or any other payment is brought under your Lordships' consideration.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Lords of the Treasury,
&c. &c. &c.

My Lords, Exchequer, 17 February 1849.

WITH reference to my letter of the 24th July 1848, informing your Lordships of an irregularity in the payments into the Exchequer due from the Justices of the Peace for the county of Surrey, under the authority of the Acts 7 & 8 Vict. c. 84, and 9 Vict. c. 5, and in obedience to your Lordships' desire, signified by your Assistant Secretary's letter of the 6th July 1846, that I should report if any default take place in any of the payments into the Exchequer required by the statutes above referred to; I beg now to draw your Lordships' attention to the fact that the half-yearly payments due to the Exchequer from the county of Surrey, Comptroller-general to Treasury, 17 Feb. 1849.

Appendix, No. 9.

Surrey, as directed by the said Acts, and under the authority of your Lordships' letters, now amount to the sum of 800 *l.*, and are in arrear for the periods under-mentioned; viz.:

For the half-year due December 1846	- - -	£. 160 – –
Ditto - June - 1847	- - -	160 – –
Ditto - December 1847	- - -	160 – –
Ditto - June - 1848	- - -	160 – –
Ditto - December 1848	- - -	160 – –
		£. 800 – –

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords of the Treasury,
&c. &c. &c.

(No. 20.)

Irregular Issue for Loans for Workhouses, Ireland.

My Lords, Exchequer, 28 August 1849.

Comptroller-general to Treasury, 28 August 1849.

I beg to acknowledge the receipt of your Lordships' letter of the 16th instant, and of the Minute of your Lordships' Board therein enclosed, dated 10th August.

Referring to your Lordships' warrant of the 19th June, for the sum of 100,933 *l.* 7 *s.* 10 *d.*, on which the issue of 35,000 *l.* has already taken place, I submit to your Lordships that it would not be regular, or consistent with the rules of this department, to make that instrument applicable to the purposes of an Act (12 & 13 Vict. c. 86), which only received the Royal Assent on the 1st August.

When, therefore, your Lordships are pleased to direct any funds to be provided under this last Act, I respectfully suggest the execution of a new warrant, apprising me, at the same time, that the unexhausted balance of the warrant, the 19th June, will not be drawn upon.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords of the Treasury,
&c. &c. &c.

My Lord, Treasury Chambers, 22 December 1849.

Treasury to Comptroller-general, 22 Dec. 1849.

In answer to your Lordship's letter of the 28th August last, representing the irregularity of applying any part of the sum of 100,933 *l.* 7 *s.* 10 *d.*, for which a warrant has been issued under the authority of the Act 11 & 12 Vict. c. 51, for the purposes of the Act 12 & 13 Vict. c. 86, I am commanded by the Lords Commissioners of Her Majesty's Treasury to inform you, that my Lords will continue to draw upon the above warrant for the Act 11 & 12 Vict. c. 51, the sums which may be required, and will issue a new warrant for re-issues under the Act 12 & 13 Vict. c. 86.

I have, &c.
(signed) *C. E. Trevelyan.*

To the Comptroller-general of the Exchequer.

(No. 21.)

Irregularity in Payment of Lord Campbell's Salary.

My dear Sir, Exchequer, 21 June 1850.

Comptroller-general to Secretary of Treasury, 21 June 1850.

In reference to your conversation with me yesterday, on the subject of the payment of Lord Campbell's salary without sufficient authority, the facts are these:

By the Treasury Warrant, 6th April, signed R. M. Bellew, H. Rich, I was authorised and required to transfer to the Paymaster-general a sum of 97,044 *l.* 2 *s.* 9 *d.*, for certain services therein particularised, including—

Right honourable Lord Denman, to 28 February - - -	£. 1,200
Right honourable Lord Campbell, from 28 February - -	800

the same being put as a charge on the Consolidated Fund for the quarter ending 5th April 1850.

The charge was accordingly so placed; but, as you are aware, credits on the authority of this warrant are not given by me without a further application from the Treasury, in the form of an issuing letter. Issuing letters to the amount of 96,244 *l.* 2 *s.* 9 *d.* only have been received and acted upon by me, the sum of 800 *l.* for Lord Campbell being still reserved till the proper patent and other authorities are produced at this office.

If, as I conclude is the case, the payment has been made, you will perceive the irregularity does not rest with me, but with the Treasury itself, which has paid a service which had been withheld here till the proper instruments justifying the payment had been produced. The correction

correction of this may now be difficult, as, having heard from you that the payment was already made, I do not clearly see the mode of directing an issue for the 800 *l.* reserved.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Right honourable G. W. Hayter,
&c. &c. &c.

(No. 22.)

Notice requested for Payments into Exchequer.

Exchequer, 21 October 1850.

Sir,

Assistant Comptroller to Secretary of Treasury, 21 October 1850.

An account from the Paymaster of the Civil Services in Ireland, dated 19th instant, states, that a sum of 7 *l.* 7 *s.* 1 *d.*, "received from the Commissioners appointed to inquire into the Public Records of Ireland, stated to be the balance remaining in Bank of Ireland to their credit, now paid to the Consolidated Fund," has been transferred to the account of the Exchequer.

I presume the payment referred to has been made under directions from the Lords Commissioners of Her Majesty's Treasury.

As similar payments, not immediately sanctioned by Act of Parliament, are made from time to time to the Exchequer account at the Bank of Ireland, I have most respectfully to request that their Lordships will be pleased to give directions that the Exchequer be informed that such payments have the sanction of their Lordships, as is the practice with respect to like payments directed to be carried to the Exchequer account at the Bank of England.

I am, &c.
(signed) *A. Eden*, Assistant Comptroller.

Sir C. E. Trevelyan,
&c. &c. &c.

(No. 23.)

Form of Warrant for Civil List Savings.

Exchequer, 18 December 1850.

My dear Spearman,

Comptroller-general to Sir A. Y. Spearman, 18 Dec. 1850.

I think it more satisfactory to reduce to writing the results of the best considerations I have been able to give to my conversation with you and with the Chancellor of the Exchequer respecting the Civil List issues.

Though I do not see anything in the way in which this business has hitherto been conducted which at all entrenches on the principle of law, yet I consider that the form of the Treasury Warrants may be rendered more consistent and more clear by a few changes, which I proceed to suggest.

In order to make these suggestions intelligible, I shall refer to the warrants for April 1849, which you can easily consult, either at the Treasury or at this office; you will find them Treasury Warrants, the first or charging warrant (which I shall term the quarterly charging warrant), puts a charge of 96,000 *l.* on the Consolidated Fund, distributing it according to the Civil List Act, among the first, second, third, fourth and sixth classes, in their fixed proportions. Now, this instrument is drawn up in a manner in which it would seem absolute and final in its appropriation, which ought not to be the case. No reference is made to the ninth section of the Civil List Act, which provides for a contingency under which the original appropriation may be varied in cases when, at the close of the year, the Treasury are enabled to declare certain unissued Civil List monies in my hands to be savings, and issuable for the purposes set forth in the section to which I have referred you, namely, for the application of savings on one class, in aid of a deficiency in another, or as applicable to any charge on Her Majesty's Civil List.

I therefore suggest that an addition should be made to the existing form of the quarterly warrant (*see* 5 April 1849), to the following effect, "the said appropriation between the "several classes hereinbefore set forth being nevertheless subject to any declaration of "savings which may be made at the end of the year, under and by virtue of the 1 Vict. "c. 2, s. 9, and to any further directions which you shall from time to time receive from "us thereon, for the issue of such sums so declared to be savings for the purposes set forth "in the said statute."

The second instrument will be the savings warrant, namely, that by which the Treasury, at the close of the year, declares certain sums to be savings under the ninth section, and applicable for the purposes specified therein, and issuable under the authority of the proviso suggested, as an addition to the original or charging warrant. It will be clearer and better, and indeed it becomes necessary for the accounts of this office, that the warrant declaring the savings should not only state the total amount for the year in each class, but should discriminate in reference to each class the amount of savings which may have accrued in each of the four quarters to which the declaration applies.

No further warrant appears to me to be required, the ordinary letter of direction from the Treasury being sufficient to authorise me to issue the savings, always assuming that they are directed to be issued and applied to the uses specified in section 9, and to no other; both warrants should, however, be distinctly set forth in the Treasury letter, the first, as authorising the issue under the ninth section, in a certain contingency, namely, the declaration of savings; the second, on savings' warrant, satisfying the Exchequer that which was contemplated as a contingency, has actually taken place.

"In

Appendix, No. 9.

In this way the two warrants and the Treasury letter are rendered consistent with each other, and an anomaly in my accounts is remedied, from which it might appear that I had examined and sanctioned Treasury Warrants to a greater amount than was authorised to be issued for Her Majesty's Civil List.

Believe me, &c.
(signed) *Monteagle.*

To Sir Alex. Spearman, Bart.

(No. 24.)

Erroneous Payment on Account of Sycee Silver.

MINUTE.

14 January 1851.

Comptroller-general's Minute, 14 Jan. 1851.

THE Comptroller-general reads the Treasury letter of the 15th November 1850, and the letter enclosed therein from the Auditors, of the 23d October 1850, and refers to the Specification Paper of the 30th July 1850, signed by the Deputy Paymaster-general.

It appears from the latter, that authority was requested, from the Comptroller-general by the Deputy Paymaster-general, to pay into the Exchequer Accounts, a sum of 681 *l.* 13 *s.* 6 *d.* specified, as being "three-fourths of the value of a box of Sycee silver deficient in the consignment to this country, by Her Majesty's ship 'Serpent,' per Treasury letter, 31 December 1847," which sum was accordingly paid into the Exchequer Account on the 31st July, and an acquittance was given to the Paymaster-general in the terms of the Specification already set forth. This payment appears also regularly entered in the Quarterly Accounts forwarded to the Auditors on the 17th October 1850; and in the accounts of the Quarter's Revenue made up for the quarter ended 10 October 1850, in both which documents it is entered, as described in the Specification Paper already alluded to. It now appears, from the correspondence immediately under consideration, that the Specification Paper of the Paymaster-general of the 30th July, was founded on an error; that the sum of 681 *l.* 13 *s.* 6 *d.* so paid in at that date by the Paymaster-general, had been already included in a larger sum paid into the Exchequer in October 1848; and that the sum described as 681 *l.* 13 *s.* 6 *d.* as the produce of Sycee silver, was, in fact, "part of the surplus balance of the grants of Parliament on account of the relief of distress in Ireland and Scotland."

It is observable that the Comptroller-general has no power whatever to detect or correct the erroneous description given him in the Paymaster-general's specification. It was his duty only to authorise its receipt, and to see that it was duly entered as advised. This has been regularly done, and he cannot understand the statement of the Auditors "that this "amount does not appear in the Quarterly Accounts of Revenue, ended the 10th October "1850, under the head of 'China Money,'" as the payment does, on the contrary, appear regularly described as such in the accounts alluded to.

As the Exchequer Accounts are made records by statute, and as such the Comptroller-general, not feeling himself justified in making any correction or alteration therein, he directs that this Minute be appended to the Quarterly Account now about to be furnished to the Auditors, in order to carry into effect the desire of the Lords Commissioners of the Treasury.

(signed) *Monteagle*, Comptroller-general.

Secretary of the Treasury to Comptroller-general, 7 March 1851.

My Lord, Treasury Chambers, 7 March 1851.

WITH reference to your Lordship's letter of 14 January last, on the subject of an erroneous payment into the Exchequer, on 31 July 1850, by the Paymaster-general of the sum of 681 *l.* 13 *s.* 6 *d.*, specified as being "three-fourths of the value of a box of Sycee "silver, deficient in the consignment to this country, by Her Majesty's ship 'Serpent;' but "which sum was, in fact, part of the surplus balance of the grant of Parliament, on account "of the relief of the distress in Ireland and Scotland;" and with reference also to the accounts of imprest monies repaid by Public Accountants in the year ended 5 January 1851, subsequently transmitted to this Board by your Lordship, from which accounts the said sum of 681 *l.* 13 *s.* 6 *d.* is altogether omitted; I am directed by the Lords Commissioners of Her Majesty's Treasury to inform your Lordship, that as it is necessary to show, in the Finance Accounts laid before Parliament, the whole of the imprest monies repaid to the Exchequer within the year, my Lords request that your Lordship will cause the requisite addition to be made to the Account, No. 4, which is accordingly herewith returned to your Lordship for that purpose.

I have, &c.
(signed) *G. Cornewall Lewis.*

To the Comptroller-general of the Exchequer.

Comptroller-general to Treasury, 10 March 1851.

My Lords, Exchequer, 10 March 1851.

I SEE no sufficient reason to prevent me from complying with the request contained in Mr. Cornewall Lewis's letter of 7 March, and adding to my Account, No. 4, of the 31 January, the sum of 681 *l.* 13 *s.* 6 *d.*, erroneously described by the Paymaster-general; but your Lordships will perceive that this addition to the Account, No. 4, must be accompanied by a simultaneous entry of the explanatory memorandum made by me to the Account, No. 6, in

in which account the sum in question appears, as being the proceeds of Sycee silver; and which memorandum, it seems to me, should necessarily appear on the face of the Parliamentary Accounts. Appendix, No. 9.

I have, &c.

To the Lords Commissioners of Her Majesty's Treasury, &c. &c. &c. (signed) *Monteagle*, Comptroller-general.

(No. 25.)

Erroneous Repayment by Treasurer of Cashel and Shillelagh Union.

30 January 1851.

Comptroller-general's Minute, 30 Jan. 1851.

The Comptroller-general reads the letter of Mr. Cornewall Lewis, written by command of the Lords of the Treasury, and dated 10th September 1850, and enclosing a Minute of their Lordships' Board of 3d September 1850, specifying certain errors made by the treasurers of the Cashel and Shillelagh Unions in Ireland of sums levied under the Rate in Aid Act, and requesting that the Exchequer Accounts may be so adjusted as to meet the views of the Lords of the Treasury in correcting the specified errors.

It appears that the treasurer of the Cashel Union is stated by the Treasury Minute to have erroneously paid to the credit of the Paymaster of Civil Services a sum of 2,729 *l.* 1 *s.* as a repayment of advances under the Act 9 & 10 Vict. c. 7, but which sum had been raised under the Rate in Aid Act 12 Vict. c. 24, and that a similar mistake had been made by the treasurer of the Shillelagh Union in relation to another sum of 372 *l.* 16 *s.* 9 *d.* As the payments to the Exchequer Account have, it is to be presumed, been made by the Paymaster of Civil Services, in conformity with the statute, it would follow that there is an error of excess in the repayments to the Consolidated Fund of 3,101 *l.* 16 *s.* 10 *d.*, in consequence of the mistake of the treasurer of the two unions already named, and a deficiency to the same amount in the repayments to the Rate in Aid. The Lords of the Treasury were informed by the Assistant Comptroller, on 18th September, in conformity with the invariable usage of this department, that the suggestion contained in Mr. Cornewall Lewis's letter of 10th September, that "The Exchequer Accounts should be so adjusted "as to meet the views of the Lords of the Treasury," for the correction of these errors, could not be legally complied with.

The Comptroller-general reads further a letter from the Assistant Secretary of the Treasury, 15th November 1850, enclosing a report from the Commissioners of Audit (23 October 1850) on the same subject, and conveying the desire of the Lords of the Treasury, that the accounts of this department may be adjusted in the manner suggested by the Auditors, unless the Comptroller-general shall see any material objection thereto.

The Auditors state in their letter, that in their opinion the course recommended in the Treasury Minute of 3d September, already alluded to, would be the most simple and satisfactory; but, inasmuch as such a course appears to the Comptroller-general contrary to usage and to law, he does not feel it necessary to advert to such proposition further, though at variance with their opinion.

The Auditors themselves seem to adopt the judgment of the Comptroller-general when they most properly state that they could not allow the accounts already furnished to them to be altered, in which accounts the errors made in Ireland, and continued in the payments made to the Exchequer Account, were necessarily included. From the statutable character of records given to the Exchequer Accounts, such adjustment would be most inexpedient, even if legal, as the entries would then cease to correspond with the specifications and acquittances which are their vouchers.

Probably from anticipating this result, the Auditors suggest that a memorandum of the transaction may be made in the next quarterly statement rendered by the Comptroller-general, and although the facts can only be known to him through the documents already laid by the Treasury before the Auditors, which is higher authority and better evidence than any secondary recital of the same facts can be, he has prepared this Minute, and directs that it may be appended to the quarterly statement for the satisfaction of the Commissioners of Audit.

(signed) *Monteagle.*

(No. 26.)

Salaries, Irish Courts of Justice; P. K. Mahony.

Exchequer, 8 April 1851.

My Lords,

Comptroller-general to Treasury, 8 April 1851.

I have to acknowledge the receipt of your Lordships' letter of 5th April, directing a transfer of 39,916 *l.* 7 *s.* 8 *d.* to the account of the Paymaster of Civil Services in Ireland, for expenses of Her Majesty's Courts of Justice in Ireland.

I have to observe in relation to a sum of 115 *l.* 7 *s.* 9 *d.*, being the quarter's salary assigned to the Accountant-general of the Court of Exchequer, that the officer, Mr. P. K. Mahony, was returned as dead in the January schedule. In fact, he ought to have been so returned in the quarter preceding for October, notwithstanding which this charge has been irregularly continued, as even if there were a power of filling up the vacancy occasioned by the death of Mr. Mahony, I should not feel myself authorised to put such a charge on the Consolidated Fund, without an official knowledge of the fact, and date of the new appointment; but it appears to me that the office of Accountant-general of the Exchequer is one of the offices abolished under 13 & 14 Vict. c. 51, s. 12, all the funds of the Court standing to the Accountant-general's credit, being by s. 4 transferred to the Court of Chancery.

Appendix, No. 9.

I have, therefore, till I am more fully informed, deducted from my warrant of transfer the sum of 115 *l.* 7 *s.* 9 *d.* payable on this account.

I have to request your Lordships to obtain, for the guidance of this department, information from the Paymaster of Civil Services with respect to the date of the death of Mr. P. K. Mahony, late Accountant-general of the Exchequer, and a statement of what issue has been made, and to whom, of the sums charged as for this office, in the several quarters for October 1850 and January 1851. It may also be necessary to have an account of the several offices abolished under 13 & 14 Vict. c. 51, s. 12, of their annual salaries and emoluments, and the funds from which they were payable respectively.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

To the Lords Commissioners of Her Majesty's Treasury.

Treasury to Comptroller-general, 13 June 1851.

My Lord, Treasury Chambers, 13 June 1851.

With reference to your Lordship's letter of the 8th April last relative to the death of Mr. P. K. Mahony, I am commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith copy of a report from the Paymaster of Civil Services in Dublin for your Lordship's information.

I am also to transmit to you a list of officers on the equity side of the Exchequer, abolished by the Act of the 13 & 14 Vict. c. 51, and to acquaint your Lordship that it has not yet been decided whether the offices of Serjeant-at-Arms and Usher, held by Mr. M'Clintock and Mr. Breen, were abolished by that Act.

I am, &c.
(signed) *G. Cornewall Lewis.*

The Comptroller-general of the Exchequer, &c. &c. &c.

Report of Paymaster of Civil Services, 3 May 1851.

It was not until the 30th ultimo that the precise date of the late Mr. P. K. Mahony's death was ascertained by this department, viz. 21st July 1850, when his widow, as administratrix, was authorised to draw a bill for 32 *l.* 2 *s.* 4 *d.* for salary of deceased to that date; and on the 1st instant 198 *l.* 13 *s.* 2 *d.* was transferred to the Exchequer account at the Bank of Ireland, being savings on the sums included in respect of the deceased officer, in quarterly schedules to October 1850 and January 1851.

In the quarterly schedule to October 1850, Mr. Acheson Lyle was included for 500 *l.* as Chief Remembrancer, of which 190 *l.* 14 *s.* 5 *d.* was paid to him for his salary as such to 31st July 1850, and the balance, viz. 309 *l.* 5 *s.* 7 *d.* applied towards the payment of his salary as Master in Chancery from 1st August 1850. Mr. M'Clintock, Serjeant-at-Arms, still receives a salary of 88 *l.* 1 *s.* per annum, and Mr. Breen a salary of 200 *l.* as Usher; but it is doubtful whether they originally belonged to the law or equity side of the Exchequer. This office is unable to give the information required with respect to the other abolished offices on the equity side of the Exchequer.

(signed) *A. Chalmers*,
for Paymaster Civil Services.

Dublin, 3 May 1851.

Comptroller-general to Treasury, 11 August 1851.

My Lords, Exchequer, 11 August 1851.

I have had the honour of explaining, both orally and in correspondence, the irregularity of system which has prevailed with respect to certain charges on the Consolidated Fund in Ireland, the consequences of which have received not only illustration, but proof, in the continuance on the schedules prepared by the Paymaster of Civil Services, and communicated by your Lordships' authority to me, of the name and salary of Mr. Pierce Mahony, after the death of that officer, and the abolition of his office by statute.

Accounts are rendered to me by the Paymaster of Civil Services, of the savings transferred to the Exchequer account, but this is done without system, and I have therefore to request your Lordships to give instructions that these accounts should be in future rendered to this office quarterly, in the first week of the months of March, June, September and December, made up to the latest period, and specifying the amount of saving, and the precise items on which it occurred. This would afford me a check in considering the propriety and legality of the charges included in the schedules for the subsequent quarter, and would prevent any error similar to that described in my letter of the 8th April 1851.

In respect to the same schedules, I have also to call your attention to another matter which required correction. When a charge is placed on the Consolidated Fund in England, even in cases where the fact is notorious, as for example, an annuity granted by Her Majesty to a member of the Royal Family, under an express statute, the patent, or other instrument, is produced, entered and copied in this department, and is thus made the foundation of the subsequent charges and issues; but in the Irish schedules the authority is most commonly set forth as "Treasury letters," of a given date, no communication of such Treasury letter being made to me. I have to submit to your Lordships the propriety, in point of law, that your Lordship's minute, letter or warrant should be communicated here contemporaneously to its transmission to Ireland; it would then be entered on the records of this office, and I should

should thus obtain an effective check on the correctness of the schedules for the quarterly charges, which is now wanting. Requesting your Lordship's attention to these suggestions,

I have, &c.

To the Lords Commissioners of Her Majesty's Treasury. (signed) *Monteagle*, Comptroller-general.

My Lord, Treasury Chambers, 17 September 1851.

Treasury to Comptroller-general, 17 Sept. 1851.

The Lords Commissioners of Her Majesty's Treasury having had before them your Lordship's letter of the 11th ultimo, calling the attention of this Board to certain irregularities which have prevailed with regard to the charges on the Consolidated Fund in Ireland, I am commanded by their Lordships to transmit, for your information with respect to the directions they have given for the purpose of carrying into effect the suggestions contained in your letter, copy of their Minute of the 12th instant thereon; and I am to request that you will give directions that all warrants, letters, and other instruments authorising charges to be made on the Consolidated Fund, may be entered in your office immediately on their being sent to you from the Treasury, and that a note of such entry may be made on the instrument.

I am, &c.

The Comptroller-general of the Exchequer, &c. &c. &c. (signed) *C. E. Trevelyan.*

Treasury Minute, dated 12 September 1851.

Treasury Minute, 12 Sept. 1851.

Read a letter from the Comptroller-general of the Exchequer, dated the 11th ult., calling their Lordships' attention to certain irregularities which have prevailed with respect to the charges on the Consolidated Fund in Ireland.

For the purpose of furnishing him with the information which is necessary to afford him a check in considering the propriety and legality of the several charges included in the quarterly schedule proposed by the Paymaster of Civil Services in Ireland, and sanctioned by the Treasury, his Lordship is of opinion that a statement should be forwarded to the office quarterly, in the first week in March, June, September and December, of the several items in which savings have been made, by deaths or otherwise, in the charges upon the quarter; and he should also be informed whenever any new charges are directed by this Board to be inserted in the schedule.

Write to the Paymaster of Civil Services in Ireland, desiring he will transmit to my Lords an account of the savings, arising from deaths or otherwise, which will probably be made in the charges on the Consolidated Fund in Ireland which will appear in his schedule for the present quarter when compared with the last, and that he will send similar amounts of savings in the first week of March, June, September and December in every year, in order that my Lords may forward the same to the Comptroller-general of the Exchequer, to enable him to check the propriety and legality of the charges which may appear in the schedule when they come before him.

Inform him also that for the same purpose my Lords will direct that all warrants or letters, and other instruments issued from the Treasury, authorising the insertion of any new charge in the schedule of payments to be made from the Consolidated Fund in Ireland shall be first transmitted to the Comptroller-general of the Exchequer, in order that they may be entered in his office; and desire that in case any warrant, letter or other instrument authorising a charge on the Consolidated Fund shall be transmitted to him, on the face of which it shall not appear that it has been entered at the Exchequer, he will return the same to the office, in order that it may be so entered.

Let care be taken in the several departments of the office that all warrants, letters and other instruments authorising charges to be made on the Consolidated Fund in Ireland may be first sent to the Comptroller-general of the Exchequer, to be entered in his office, before any are forwarded to the Paymaster of Civil Services in Ireland.

(No. 27.)

Issue to Paymaster-general for Constabulary Expenses, Ireland.

My Lords, Exchequer, 11 April 1851.

Comptroller-general to Treasury, 11 April 1851.

I have the honour to call your Lordships' attention to your warrant of this morning's date, authorising a transfer from the Exchequer account with the Bank of Ireland of a sum of 2,460*l.* for constabulary expenses in Ireland, which transfer is directed to be made to the Paymaster of Civil Services, and not to A. B. Cane, Esq., Receiver of Constabulary, as has hitherto been the invariable usage. I have referred to the original Act, 6 Will. 4, c. 13, s. 35, and find that by that section the issues from the Consolidated Fund for this branch of the public service are directed to be made to the Receiver, agreeably to the usage hitherto acted on. It is true that the expenses of the constabulary are affected by the subsequent Act of 9 & 10 Vict. c. 97, and the section 35 of 6 Will. 4. c. 13, is recited as amongst the provisions in the first statute affected and varied by the second.

Appendix, No. 9.

But that part of section 35 which directs the issues to be made to the Receiver of Constabulary, does not appear to me to have been repealed; nor would such a supposition be consistent with the mode of transfer hitherto practised, anteriorly to the date of your Lordships' last warrant; I have therefore, with much regret, to ask your Lordships for a reference to some legislative authority which repeals or varies my obligations to issue to the Receiver under the express words of 6 Will. 4, c. 13, s. 35.

I have, &c.
(signed) *Monteagle*, Comptroller-General.

To the Lords Commissioners of Her Majesty's Treasury.

My dear Lord, Treasury, 16 April 1851.

Sir C. E. Trevelyan to Comptroller-general, 16 April 1851.

We are placed in an embarrassing position by your letter on the subject of the issue to the Paymaster of Civil Services, on account of the Receiver of Constabulary. Following out our usual policy, we have, in order to avoid an unsafe accumulation of funds in the hands of the Receiver, taken the opportunity of a revision of the financial arrangements of the force, consequent on the abolition of the paymasterships, to arrange that the issues to the Receiver shall be made *through* the Paymaster of Civil Services, by whom the money will be doled out as it is required; and as it never occurred to us that the legality of this course of proceeding could be questioned, it has been embodied in full detail in the revised printed regulations.

As I leave town to-morrow morning, I have requested Mr. Leake to wait upon you, and he will explain our reasons for thinking that we have not transgressed the law.

I have, &c.
The Right Hon. Lord Monteagle. (signed) *C. E. Trevelyan.*

My Lord, Treasury Chambers, 2 May 1851.

Treasury to Comptroller-general, 2 May 1851.

I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship, in answer to your letter of the 11th instant, in which you stated the legal objections which appeared to your Lordship to exist to the issue of money from the Consolidated Fund for constabulary services in Ireland, under the authority of the Acts of 6 Will. 4, c. 13, and 9 & 10 Vict. c. 97, to any person except the Receiver of the Constabulary, as their Lordships' Warrant of the 11th instant required; that my Lords, with a view to meet your Lordship's objections, have caused another warrant to be prepared, directing the issue to be made to the Paymaster of Civil Services, for the use of the Receiver of the Constabulary, and to be applied by him for Constabulary Services; and I am to request that you will act upon this second warrant, if you see no objection thereto, and return the first warrant to this Board, in order that it may be cancelled.

I have, &c.
(signed) *C. E. Trevelyan.*

The Right Hon. the Comptroller-general of the Exchequer.

(No. 28.)

Unissued Balances of Consolidated Fund.

My Lords, Exchequer, 11 August 1851.

Comptroller-general to Treasury, 11 Aug. 1851.

I have the honour to recall to your Lordships' memory my letter of 3d March 1848, in which I informed you that there were unissued balances, under the heads set forth below, which remained by reason of the excess of the issues charged on the Consolidated Fund, between the July quarter 1838 and the 5th January 1847, and the actual issues made, amounting to 21,347 *l.* 18 *s.* 11 *d.*, viz.:—

	£.	s.	d.
Salaries and Allowances - - - - - -	6,541	8	4
Diplomatic Services - - - - - -	14,792	2	1
Interest on Exchequer Bills, 1839 - - -	14	8	6
	21,347	18	11

I have now to apprise your Lordships that a further accumulation of outstanding balances has taken place under the heads set forth in the paper enclosed; and considering the manifest inconvenience which must arise out of the continuance of so many years' accounts, under unsatisfied warrants, and the irregularities which might be consequent therefrom, I am led to expect that your Lordships will concur with me in the expediency of

of giving me an authority to close the accounts finally, and to declare the unsatisfied balances to be savings. Appendix, No. 9.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

	£.	s.	d.
Former report - - - - - -	21,347	18	11
Present report - - - - - -	49,315	6	3
TOTAL - - -	70,663	5	2

To the Lords Commissioners of Her Majesty's Treasury.

(Enclosure.)

PARTICULARS of BALANCES charged on the Consolidated Fund.

Quarters ending	Salaries and Allowances Nil. Annuities and Pensions. £.	s.	d.	Diplomatic Services. £.	s.	d.	Annual Total. £.	s.	d.
5 April - - 1847	-	-	-	754	13	1			
5 July - - „	-	-	-	1,062	2	9			
10 October - „	-	-	-	2,008	15	7			
5 January - 1848	-	-	-	2,217	-	4			
							6,042	11	9
5 April - - „	-	-	-	1,648	6	-			
5 July - - „	-	-	-	1,945	1	5			
10 October - „	-	-	-	617	3	9			
5 January - 1849	-	-	-	2,794	-	5			
							7,004	11	7
5 April - - „	-	-	-	1,840	13	2			
5 July - - „	-	-	-	3,018	9	9			
10 October - „	25,000	-	-	3,476	5	8			
5 January - 1850	-	-	-	2,932	14	4			
							36,268	2	11
TOTAL - - £.	25,000	-	-	24,315	6	3	49,315	6	3

Treasury Chambers, 23 August 1851.

My Lord,

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit, for your Lordship's information, a copy of a Treasury Minute of the 19th, upon the subject of your Lordship's communication of the 11th instant, and to request that you will take the sum of 14 *l.* 8 *s.* 6 *d.*, interest on Exchequer Bills 1839, and so much of the sum of 6,541 *l.* 8 *s.* 4 *d.* (reported on the 3d March 1848 to be outstanding on salaries and allowances) as may now remain unissued as savings. Treasury to Comptroller-general, 23 Aug. 1851.

I am further to request that your Lordship will report the particular annuity or annuities forming the sum of 25,000 *l.*,* which is reported to be outstanding in your letter of the 11th instant.

* *Vide* next Letter.

I am, &c.
(signed) *G. Cornewall Lewis.*

The Right Hon. the Comptroller-general of
Her Majesty's Exchequer.

COPY of TREASURY MINUTE, dated 19 August 1851.

MY LORDS refer to the letter from the Comptroller-general of the Exchequer of the 3d of March 1848, and to the minute of the 14th of the same month, directing an application to be made to the Foreign Office, requesting the opinion of the Secretary of State whether the arrear of claims upon the Consolidated Fund, on account of salaries of diplomatic servants between July 1838 and January 1847, might not be brought forward in aid of the public service, to which letters no answer has been received.

Write to Mr. Addington, requesting he will call the attention of Viscount Palmerston to the above letter, and transmit to him an extract of so much of the enclosed statement as relates

Appendix, No. 9.

relates to the diplomatic services, from which it will appear that the sums now outstanding on warrants issued for that service, amount to 39,107 *l.* 8 *s.* 4 *d.*, viz.—

	£.	s.	d.
In the former statement - - - - - -	14,792	2	1
In the present - - - - - - - -	24,315	6	3
	£.39,107	8	4

Request he will inform Lord Palmerston that, unless his Lordship shall see any objection thereto, my Lords will give directions to the Comptroller-general of the Exchequer to declare these unsatisfied balances to be savings.

My Lords, Exchequer, 6 October 1851.

Comptroller-general to Treasury, 6 Oct. 1851.

Giving information on sum of 25,000 *l.* reported as saving, charged for Queen Dowager.

Vide preceding Letter.

In reply to your Lordships' inquiry made on the 23d August, with respect to the annuity of 25,000 *l.* forming the sum reported by me as charged on the Consolidated Fund, and unissued, I have to inform you that it consists of the quarter's charge on the Consolidated Fund for the quarter October 1849, for the late Queen Dowager, whose death took place before such annuity became payable.

I therefore presume the proper course will be, to declare that sum a saving, as already suggested by my letter of the 11th August.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

To the Lords of the Treasury,
&c. &c. &c.

My Lord, Treasury Chambers, 6 December 1851.

Treasury to Comptroller-general, 6 Dec. 1851.

With reference to your Lordship's letters of 11th August and 6th October last, reporting certain sums, amounting in the whole to 70,663 *l.* 5 *s.* 2 *d.* which are now outstanding balances, and have formed parts of the charges on the Consolidated Fund in the respective quarters between the 5th of July 1838 and 5th January 1850, as will more particularly appear by the accompanying warrant; and suggesting, that as the said sums are not likely to be required for the public service, they may be declared savings, I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship that my Lords entirely approve of your suggestion, and are pleased to authorize your Lordship to cause the said sums to be withdrawn from the amount of appropriated balances, and made available and brought in aid of the first issues from the Consolidated Fund in the present quarter.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of Her Majesty's Exchequer.

Treasury Warrant.

Whereas it appears by the under-mentioned Account, that the following Sums remain to be issued to complete the charges on the Consolidated Fund; viz.

Quarters ending	Annuities and Pensions.			Salaries and Allowances.			Diplomatic Services.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
5 July - - 1838	-	-	-	37	17	6	—		
10 October - „	-	-	-	100	-	-	—		
5 January - 1839	-	-	-	-	-	-	1,308	10	-
5 April - - „	-	-	-	50	-	-	—		
10 October - „	-	-	-	-	-	-	1,039	3	10
5 January - 1840	-	-	-	-	-	-	503	3	9
5 April - - „	-	-	-	-	-	-	86	7	1
5 July - - „	-	-	-	-	-	-	354	19	1
5 January - 1841	-	-	-	-	-	-	79	11	6
5 July - - „	-	-	-	6,000	-	-	—		
5 January - 1842	-	-	-	-	-	-	50	-	-
5 July - - „	-	-	-	-	-	-	588	13	9
5 April - - 1843	-	-	-	-	-	-	120	8	5
5 July - - „	-	-	-	-	-	-	107	10	2
10 October - „	-	-	-	-	-	-	271	-	3

TREASURY WARRANT—*continued.*

Quarters ending	Annuities and Pensions. £. s. d.	Salaries and Allowances. £. s. d.	Diplomatic Services. £. s. d.
5 January - 1844	- - -	- - -	187 9 10
5 July - - „	- - -	- - -	38 3 2
10 October - „	- - -	- - -	1,524 9 6
5 January - 1845	- - -	353 10 10	1,229 7 1
5 April - - „	- - -	- - -	358 17 9
5 July - - „	- - -	- - -	666 16 10
10 October - „	- - -	- - -	1,730 10 1
5 January - 1846	- - -	- - -	1,769 7 4
5 April - - „	- - -	- - -	1,438 4 10
5 July - - „	- - -	- - -	421 6 11
5 January - 1847	- - -	- - -	918 - 11
5 April - - „	- - -	- - -	754 13 1
5 July - - „	- - -	- - -	1,062 2 9
10 October - „	- - -	- - -	2,008 15 7
5 January - 1848	- - -	- - -	2,217 - 4
5 April - - „	- - -	- - -	1,648 - 6
5 July - - „	- - -	- - -	1,945 1 5
10 October - „	- - -	- - -	617 3 9
5 January - 1849	- - -	- - -	2,794 - 5
5 April - - „	- - -	- - -	1,840 13 2
5 July - - „	- - -	- - -	3,018 9 9
10 October - „	25,000 - -	- - -	3,476 5 8
5 January - 1850	- - -	- - -	2,932 14 4
TOTALS - £.	25,000 - -	6,541 8 4	39,107 8 4

	£. s. d.
Diplomatic Services - - - - - - - -	39,107 8 4
Salaries and Allowances - - - - - - - -	6,541 8 4
Annuities and Pensions - - - - - - - -	25,000 - -
Interest on Exchequer Bills issued for Public Works, in the quarter ended 5 April 1839 - - - - - -	14 8 6
£.	70,663 5 2

Amounting, in the whole, to the sum of 70,663 *l.* 5*s.* 2*d.*, and which sum will not be required to be issued to complete the above charges, and are hereby declared savings.

These are to authorize and require you to transfer the above sum of 70,663*l.* 5*s.* 2*d.* to the growing produce of the Consolidated Fund, to be made available for any charges on the said Fund for the quarter ending 5th January 1852.

Whitehall, Treasury Chambers, this 5th day of December 1851.

(signed) *R. M. Bellew.*
H. Rich.

To the Comptroller-general of Her Majesty's Exchequer.

(No. 29.)

Issues suspended for Salaries of Assistant Barristers, Ireland.

Exchequer, 18 October 1851.

Comptroller-general to Treasury, 18 Oct. 1851.

My Lords,

I HAVE received your Lordships' warrant for directing a transfer in the books of the Bank of Ireland to the credit of the Paymaster of Civil Services (Mr. Grey) of a sum of 38,769 *l.* 13*s.* 3*d.*, being the amount of certain charges for Courts of Justice in Ireland, the particulars of which are detailed in the Schedule No. 3, prepared by Mr. Grey.

Among these charges are included the new and increased salaries of the 33 Assistant Barristers of Ireland, granted by an Act of the last Session (14 & 15 Vict. c. 57); to that Act is appended a Schedule classifying the Assistant Barristers, and fixing their salaries.

The new scale of salaries for these Local Judges is as follows:

1st Class - - - - - - - - -	£. 1,000
2d Class - - - - - - - - -	800
3d Class - - - - - - - - -	600

And

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And a special provision is also made for certain of the present assistant barristers during their tenure of office.

	Present Judge.	His Successors.
Dublin	£. 900	£. 800
Tipperary	1,600	1,000
East Riding, Cork	1,200	1,000

The Act contains the following proviso, section 4: "that such salaries shall be over and above the sum payable to them in respect to the registration or provision of Parliamentary voters."

By your Lordships' warrant of 20th September 1851, to the Paymaster of Civil Services in Ireland, an authority was given to pay the several assistant barristers the sum *set forth in the Schedule* in the Act of the 14 & 15 Vict. c. 57, being the increased salaries to which I have adverted above. This warrant authorises no further payment.

In the quarterly schedule received from Mr. Grey for the payments of this October quarter, and transmitted with your Lordships' corresponding warrant (9th October instant), these salaries are set out as payable from 31st August 1851, under 14 & 15 Vict. c. 57; but a marginal note is made by Mr. Grey to the following effect: "100 *l.* a-year for revising the List of Parliamentary Voters is included (per s. 4, 14 & 15 Vict.)"

This sum has consequently been included, making an additional annual charge to the public for this service of 3,300 *l.*

I have referred to the section in question, and find it to be a saving of antecedent rights only, and not the creation of any new right, or the grant of any new emolument whatsoever.

It remains therefore to be ascertained what antecedent right to this payment of 3,300 *l.* did exist at the time of the passing of the 14 & 15 Vict., and whether the charge, if justifiable, is made in a proper and legal manner.

The statutes which bear on the subject are, 2 & 3 Will. 4, c. 88, s. 67, and 13 & 14 Vict. c. 69. To these it is necessary to call your Lordships' attention, as, upon their meaning depends the legality of the present claim of an additional sum of 3,300 *l.* for the assistant barristers of Ireland.

By the Irish Reform Act 2 & 3 Will. 4, c. 88, s. 66, the Government are authorised to appoint barristers of six years' standing to act as deputies to the assistant barristers for the revision of voters; and, by s. 56, such deputies shall receive five guineas per diem, and travelling expenses, the amount to be proved before the Lord Lieutenant of Ireland; and, in order to provide for the additional labour which shall devolve on the assistant barristers under this Act, it is made lawful for the Lord Lieutenant to direct the assistant barristers "to be paid, in addition to their *salaries, such yearly sum not exceeding* 100 *l.*, at the *discretion* of the Lord Lieutenant."

Your Lordships will note that the payments to barristers *other than assistant barristers* is made a *quantum meruit* proportioned to the labour done. In relation to the assistant barristers, a maximum is fixed, subject, however, to the discretion of the Lord Lieutenant.

By the last Irish Franchise Act the system of registering voters was changed and simplified. By the section 10 (13 & 14 Vict. c. 69) the provisions of the 2 & 3 Will. 4, c. 88, in respect to registration, and to the *expense of such registration*, are repeated, but with a somewhat contradictory proviso, "saving the yearly remuneration provided by the former "Act 2 & 3 Will. 4."

Not having before me any sufficient legal authority for the issue, either from your Lordships or from Ireland, I suspended the issue of this questionable sum till I shall be more fully informed on the subject. I requested from Mr. Grey such further information as should justify the issue.

By the post of this afternoon I have received a reply from that officer, together with a copy of the Lord Lieutenant's warrant constituting the authority for this payment. Mr. Grey's letter and a copy of the Lord Lieutenant's warrant are here enclosed.

It appears that on the 14th February 1833, subsequently to the enactment of 2 & 3 Will. 4, c. 88, Sir Hussey Vivian, as one of the Lords Justices of Ireland, directed the issue of 800 *l.*, amount of additional salary for registering voters under the Reform Act, for one quarter of a year. It does not appear that this sum was otherwise sanctioned as a permanent annual charge, though Mr. Grey states it has since been subsequently paid and included in the quarterly warrants.

The original sum was fixed by statute as a maximum of 100 *l.*, at the discretion of the Lord Lieutenant. By Sir Hussey Vivian's warrant this maximum sum was made a minimum fixed by the discretion of the Irish Government, and it is now proposed to continue it in future, as an additional payment to all assistant barristers, whether they are appointed to the larger counties (Class 1), or to the smaller (Classes 2 and 3).

I need not remind your Lordships that all the authorities vested in the Lord Lieutenant in 1833 are now transferred to your Lordships, and I therefore submit the facts to your consideration. Awaiting your further directions,

I have, &c.

(signed) *Monteagle*,
Comptroller-general.

The Lords Commissioners of
Her Majesty' Treasury.

My

Appendix, No. 9.

Treasury Chambers, 5 November 1851.

My Lord,

With reference to your Lordship's letter of the 18th ultimo, requesting directions as to whether the assistant barristers in Ireland are to be paid the allowances of 100 *l.* per annum heretofore made to them for revising the lists of Parliamentary voters, in addition to the increased salaries awarded to them, I am commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith, for your information, copy of their Lordships' Minute of the 4th instant, on the subject; and I am to request that you will now make a further transfer of 825 *l.* to the Paymaster of Civil Services in Ireland, to complete the warrant for the transfer from the Consolidated Fund of 38,769 *l.* 13 *s.* 3 *d.* to defray the expenses of courts of justice in Ireland, for the quarter ending 10 October 1851.

Treasury to Comptroller-general, 5 Nov. 1851.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer.

COPY of Treasury Minute, dated the 4th November 1851.

Transmit to Sir Thomas Redington a copy of the letter from the Comptroller-general of the Exchequer of the 18th ultimo, and request he will lay the same before the Lord Lieutenant of Ireland for his information, and call his attention to the enactments of the 2 & 3 Will. 4, c. 88, and 13 & 14 Vict. c. 57, adverted to by Lord Monteagle.

Treasury Minute, 4 Nov. 1851.

On considering these enactments, my Lords have authorised the insertion of the schedule of charges on the Consolidated Fund for the quarter ended 10th ultimo, of the allowances heretofore payable to the assistant barristers of 100 *l.* per annum each, for revising the list of Parliamentary voters, and will direct the Paymaster of Civil Services to pay the same, on sufficient funds being transferred to him by the Comptroller-general of the Exchequer; but previously to issuing their warrant authorising the charge of these salaries in the schedules in future quarters, my Lords request that Sir T. Redington will inform them whether his Excellency is of opinion that, under the circumstances stated in Lord Monteagle's letter, the existing payments should be continued to the persons now holding the situation of assistant barrister; and if so, whether the salaries should not be subjected to a revision upon new appointments being made.

Transmit copy of this Minute to the Comptroller-general of the Exchequer for his information, with reference to his letter of 18th ultimo, and desire that he will now make a further transfer of 825 *l.* to the Paymaster of Civil Services in Ireland, to complete the warrant for the transfer from the Consolidated Fund of 38,769 *l.* 13 *s* 3 *d.* to defray the expenses of courts of justice in Ireland, for the quarter ending 10th October 1851.

Transmit copy of this Minute to the Paymaster of Civil Services in Ireland for his information, with reference to his letter of 17th ultimo on this subject.

Treasury Chambers, 19 November 1851.

My Lord,

I am commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith, for your Lordship's information, copy of a further Minute of this Board, dated 18th instant, relative to the period from which the increased salaries of the assistant barristers in Ireland are to commence, together with extracts from a letter from the Attorney-general for Ireland, dated 27th ultimo, and one from Mr. Coppinger, dated 20th ultimo, on this subject.

Treasury to Comptroller-general, 19 Nov. 1851.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer, &c. &c. &c.

COPY of Treasury Minute, dated 18 November 1851.

Read a copy of a letter from the Attorney-general for Ireland, in which he refers to the fourth section of the Act 14 & 15 Vict. c. 57, which directs that increased salaries shall be paid to the assistant barristers and other officers, in consideration of the additional duties thrown upon them by the said Act, and of the abolition of the fees heretofore received by them from the commencement of the said Act, which is fixed by the 164th section to be the 31st August 1851. Such increased salaries to be paid by four quarterly payments, the first payment thereof to be made on the quarterly day of payment which shall next ensue after the commencement of the Act; and the Attorney-general states it to be his opinion that, under the above enactment, the officers therein named are entitled to receive a full quarter's increased salary on the 29th September 1851; whereas the salaries have been inserted in the schedules for salaries prepared by the Paymaster of Civil Services in Ireland, under their Lordships' directions, for the quarter ended 10th October 1851, for the period between the 31st August and 29th September only.

Treasury Minute, 18 Nov. 1851.

My Lords have also before them a copy of a letter from Mr. Coppinger on the subject of the allowances to be received by the assistant barristers under the recent Act.

Acquaint the Paymaster of Civil Services in Ireland with the opinion of the Attorney-general, and inform him that my Lords, concurring therein, desire that he will prepare and transmit to them a supplementary schedule of salaries chargeable on the Consolidated Fund, for

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for the quarter ended 10 October 1851, including the salaries inserted in Schedule (B.) of the Act 14 & 15 Vict. c. 57, calculated for the period from 24 June to 31 August 1851; and that, on receiving the same, my Lords will issue their warrant for the transfer of the amount thereof to the account of the Bank of Ireland, from the Consolidated Fund, and return to him the schedule, with their authority, for paying the salaries inserted therein.

Extract from Attorney-General for *Ireland*'s Letter, dated 27 October 1851.

Attorney-general, Ireland, Opinion, 27 Oct. 1851.

It appears to me that the assistant barristers are entitled to the full rate of payment on the scale of the new salaries, for the quarter ended the 29th of September.

I think that they are so entitled under the legal construction of the new Act, and it appears to me that they are equitably so; as the fees which they would receive at the present October Sessions have, in the shape of stamps, been paid long since into the Treasury.

Extract from Mr. *Coppinger*'s Letter, dated 20 October 1851.

Mr. Coppinger, 20 Oct. 1851.

First.—That the assistant barristers were not entitled to be paid a full quarter's salary, according to the rate prescribed by the present Civil Bill Act, 14 & 15 Vict. c. 57.

That they were only entitled to receive a proportionable part of the increased salary under that Act; viz., from the first day of September up to the 29th day of that month, the quarter day.

That their salaries for the remainder of the quarter should be calculated after the rate of the old salaries payable to them.

The assistant barristers allege and claim to be entitled to the full quarter's salary, under the present Civil Bill Consolidated Act, and they assert that same was due to them on the 29th day of September, and is now payable to them.

They contend that the plain and literal meaning of the 4th section of the Act is to this effect.

They say that no other construction can be put upon the concluding words of that section; that the meaning of these words, "the first payment thereof to be made on the quarter day of payment which should next ensue after the commencement of this Act," means in plain English, that one quarter of the salary provided for by that Act should be paid on the first day of payment.

Such words occur every day in leases respecting the payment of the received rent, and in annuity deeds.

The 62d section of the Act states that additional salaries are to be paid in lieu of fees, which are abolished, and stamps substituted for these fees to create this fund; in fact, the fees are turned into stamps, and the money, instead of going at the sessions into the pocket of the assistant barrister, goes into the Treasury before the sessions, in the shape of stamps.

The Government have now received all the money payable on the proceedings by Civil Bill at the sessions now being held, and as the assistant barrister cannot receive any, it is not unreasonable that he should require to repair his salary out of that fund, expressly created for the purpose of paying him.

The fees payable to the assistant barrister of many counties amounted to very large sums of money; and several of them (if the Treasury persist in their present intentions), will lose some hundreds, or rather will be deprived of the same, though the Treasury has received the money properly applicable to pay them through means of the stamps.

These observations apply with peculiar force to those who hold first and second class counties, though all will suffer.

Comptroller-general to Treasury, 25 Nov. 1851.

My Lords, Exchequer, 25 November 1851.

I beg to acknowledge your Lordships' letter of the 19th instant, on the subject of the salaries of the assistant barristers of Ireland, and their claim to the full increased salaries, provided under the 14 & 15 Vict. c. 57, which your Lordships are of opinion, with the Attorney-general for Ireland, should be payable on the 29th of September 1851.

I observe that your Lordships' Minute states that you have instructed the Paymaster of Civil Services in Ireland to prepare and transmit a supplemental schedule of salaries chargeable on the Consolidated Fund for the quarter ended 10th of October 1851, including the additional sum in question for the Irish assistant barristers, with a view to the issue of your Lordships' Warrant for a corresponding transfer.

But on reflection, your Lordships will perceive that this course will be entirely irregular and unprecedented, and one which could not properly be carried into effect. The charge on the Consolidated Fund has already been ascertained and settled by your Lordships' Warrant, as compared and agreed on by this department. It cannot be reopened according to usage, and if such a step were taken, it would derange the accounts both of the Treasury and of the Exchequer.

Your Lordships' object will best be attained by including this unprovided-for balance in the charge on the Consolidated Fund, which will be settled at the next quarter; and if a payment

payment is required in the meanwhile, your Lordships will be the best judges whether an advance may not be conveniently made out of Civil Contingencies, repayable to that fund in the next quarter. Appendix, No. 9.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

My Lord, Treasury Chambers, 3 December 1851.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit, with reference to your Lordship's letter of the 25th ult., on the subject of the salaries of the assistant barristers in Ireland, and their claim to the full increased salaries provided by the Act 14 & 15 Vict. c. 57, copy of their Lordships' minute of 28th ultimo. Treasury to Comptroller-general, 3 Dec. 1851.

I have, &c.
The Comptroller-general of the Exchequer. (signed) *C. E. Trevelyan.*

TREASURY MINUTE, dated 28 November 1851.

DIRECT the Paymaster of Civil Services in Ireland to advance out of the sums in his hands on account of Civil Contingencies, such sums as may be required for paying the salaries of the Chairman of the Dublin Sessions, and the assistant barristers included in the supplementary schedule transmitted in his letter of 21st instant, not exceeding in the whole the sum of 3,035 *l.* 15 *s.* 3 *d.*, and such advance to be replaced to the Civil Contingencies from the Consolidated Fund when the warrant which has been prepared for charging these salaries on the Consolidated Fund can be legally issued. Treasury Minute, 28 Nov. 1851.

(No. 30.)

Issues suspended till Grants produced; Justice Crampton, &c.

My Lords, Exchequer, 7 April 1852.

WITH reference to your secretary's letter of the 5th instant, stating that certain charges for salaries had been directed to be placed on the Consolidated Fund for the quarter ended 5th April 1852, I beg to inform your Lordships that I have allowed those charges to be made; but in having done so, I must request that your Lordships will give directions that the several warrants granting those salaries should be forwarded to this department to be recorded, to authorise me in making the issue under your Lordships' directions. Comptroller-general to Treasury, 7 April 1852.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury.

My Lord, Treasury, 5 April 1852.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship that the names of the undermentioned persons have been placed on the Consolidated Fund; viz. Treasury to Comptroller-general, 5 April 1852.

Sir Charles Crompton, Judge of the Court of Queen's Bench, in the room of Sir John Patteson, from 12 February 1852.

James Brooks, Esq., Treasurer of County Courts, in the room of James Hoskins, resigned, from 26 January 1852.

John Parker, Esq., Judge of the Court of Requests at Sheffield, from the 24th February 1852, when he resigned the office of Secretary to the Admiralty, at the rate of 1,239 *l.* 4 *s.* per annum.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of Her Majesty's Exchequer.

(No. 31.)

Issue; Salaries, Courts of Justice, Ireland.

My Lords, Exchequer, 12th April 1852.

I HAVE received your Lordships' Warrant for directing a transfer in the books of the Bank of Ireland to the credit of the Paymaster of Civil Services (Mr. Grey), of a sum of 43,780 *l.* 1 *s.* 7 *d.*, being the amount of certain charges for courts of justice in Ireland, for the quarter ended 5th instant. Comptroller-general to Treasury, 12 April 1852.

With reference to several new charges in the Schedule of the Paymaster of Civil Services, I must beg to call your Lordships' attention to your minute of the 12th and letter of 17th

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September last, directing that, whenever any new charge was placed on the Consolidated Fund, "such warrant, letter or other instrument authorizing the charge should be transmitted to the Comptroller-general of the Exchequer, in order that they may be entered in his books before being forwarded to the Paymaster of Civil Services in Ireland."

Not having received your Lordships' authority for placing the charges on the Consolidated Fund, as enumerated in the accompanying statement, I have deducted the amount, viz. 2,082*l.* 14*s.* 4*d.*, from your warrant of the 5th instant; and so soon as I have received the requisite authorities for allowing these charges, I will forward a supplementary transfer to the Paymaster of Civil Services. I also beg to inform your Lordships that I have written to the Paymaster of Civil Services in Ireland, stating my reasons for withholding the issue of the charges in question; and I have requested him to forward me a copy of those appointments, which do not appear to originate with your Lordships.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

To the Lords Commissioners of Her Majesty's Treasury.

Comptroller-general to Paymaster of Civil Services, Ireland, 10 April 1852.

Sir, Exchequer, 10 April 1852.

In forwarding the transfer to the Bank of Ireland, for the payment of the salaries, &c. of the officers of the courts of justice in Ireland, for the quarter ended 5th instant, I beg to inform you that from the warrant of transfer for 43,780*l.* 1*s.* 7*d.*, the amount stated to be required, I have deducted the sum of 2,082*l.* 14*s.* 11*d.*, the particulars of which I enclose; and so soon as I have received the necessary copies of authorities for placing these charges in the Schedule, I will forward a supplementary transfer. I shall not require a copy of these charges, placed in the Schedule by authority of Treasury letter, from you, as the Treasury have given instructions for the proper authorities for allowing these charges to be forwarded to me.

I have, &c.
C. S. Grey, Esq. (signed) *Monteagle*, Comptroller-general.

SCHEDULE enclosed.

		£.	s.	d.	
Chancery	The Right Hon. Francis Blackburn, Lord Chancellor	615	7	8	Copy of Patent.
	J. M'Mahon, Acting Deputy Keeper of the Rolls	116	4	9	Treasury Letter.
Queen's Bench	The Right Hon. T. Lefroy, Chief Justice	236	19	10	Copy of Patent.
	Charles G. Burke, Master	136	5	3	Treasury Letter.
Common Pleas	Oliver M'Causland, Principal Assistant	69	4	7	- ditto.
	J. Stewart, 1st Clerk, relating to Judgments	23	1	6	- ditto.
	C. Davy, 2d ditto	11	10	9	- ditto.
	Hon. D. Plunket, Master	235	16	10	- ditto.
Exchequer	R. Wilson Greene, Fourth Baron	172	5	5	-- Copy of Patent or other Instrument.
Registration of Judgments Office	W. Scriven, Searching Clerk	16	9	8	-- Copy of Letter of Appointment.
	R. Hitchcock, ditto	17	2	10	- ditto.
Office of Clerk of Writs	Robert Cooper, Clerk of Writs	85	14	3	Treasury Letter.
	J. Clancy, 3d Assistant ditto	85	14	3	- ditto.
Assistant Barrister	A. Wills	225	–	–	-- Copy of Order of Lord Chancellor.
Four Courts, Marshalsea	J. D. Mullen, Marshal	35	17	4	-- Copy of Instrument of Appointment.
	£.	2,082	14	11	

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(No. 32.)

Irregular Issue of Royal Orders, no Ways and Means remaining Unappropriated; Kaffir War, &c.

MINUTE, 19 June 1852.

THE Comptroller-general notices the Treasury issuing letter dated 18th June, requiring a transfer of 3,000 *l.* to the Bank of Ireland, to the credit of the Paymaster of the Civil Services for the payment of the Dublin Police, and directing that the same should be charged to the account of the issue out of the Consolidated Fund of 8,000,000 *l.*, per Act 15 Vict. c. 1. Comptroller-General's Minute, 19 June 1852.

The Comptroller-general adverts to the fact, that the ways and means voted amount to 25,742,800 *l.*, and the same have already been exhausted by the following Royal Orders and corresponding Treasury Warrants; viz: for,

Army Services - - -	£. 3,000,000	bearing date	31 May 1852.
Navy Services - - - -	3,000,000	- -	3 April 1852.
Ordnance Services - - -	2,000,000	- -	3 April 1852.
Exchequer Bills - - -	17,742,800	- -	4 May 1852.
£.	25,742,800		

He also refers to his letter to the Treasury of the 22d November 1841.

On these grounds he declines directing the transfer for 3,000 *l.*, as desired in the issuing letter recited above. He communicated verbally to the Chancellor of the Exchequer the facts of the case, to avoid any unnecessary delay or impediment to the public service, in order that such steps may be taken as the Treasury may consider right, and that may enable him to make this transfer conformably with the Act for regulating the Exchequer.

He regrets that, *per incuriam*, one issue of 60,000 *l.* has been made under a Royal Order and Treasury Warrant dated 30th April 1852; and a transfer of 10,000 *l.* has also been made under a Royal Order and Treasury Warrant, dated the 12th June 1852, under similar circumstances to the present. The Comptroller-General awaits a communication from the Chancellor of the Exchequer with respect to the irregularity in question in order to give his permanent instruction as to the way in which the existing difficulty is to be met.

In the meanwhile let no credit or transfer be directed, except for Army, Navy, or Ordnance Service, till further orders.

(signed) *Monteagle*,
Comptroller-General.

My Lords, Exchequer, 22 June 1852.

I BEG to call your Lordships' attention to an irregularity which has arisen in the Financial Administration of your Lordships' department, and in which this department is also to a certain extent involved. Comptroller-General to Treasury. 22 June 1852.

By the 15 Vict. c. 1, a sum of 8,000,000 *l.* was granted as Ways and Means out of the Consolidated Fund. This Act received the Royal Assent, 30 March.

By the 15 Vict. c. 10, a sum of 17,742,800 *l.* was authorised to be raised by Exchequer Bills for the service of the current year. This Act received the Royal Assent on the 3d May.

These Acts therefore made provision of Ways and Means, amounting together to a sum of 25,742,800 *l.*

Her Majesty's Royal Orders, and your Lordships' warrants were addressed to this department for the services, and of the dates as follows:—

Army - - - - -	31 March 1852 - - - - - -	£.	3,000,000
Navy - - - - -	3 April „ - - - - - -		3,000,000
Ordnance - - -	3 April „ - - - - - -		2,000,000
Exchequer Bills -	4 May „ - - - - - -		17,742,800
		£.	25,742,800

Appendix, No. 9.

Thus the full amount of 25,742,800 *l.* provided under the two Acts which I have adverted to, was acted upon and appropriated by the Royal and Treasury authorities recited.

This was not according to the usual course taken by the Treasury, but it was in all respects within the terms of the law, and was an exercise of your Lordships' discretion which neither required nor would have justified any observation from me.

It, however, rendered the issue of any further Royal Orders or Treasury Warrants impossible till further Ways and Means had been provided.

Three such Orders issued, and were addressed to me, to which it is my duty to call your Lordships' attention. They were as follows:—

	Royal Orders.		Issuing Letters.	
	Date.	Amount.	Date.	Amount.
		£.		£.
Kaffir War - - -	30 April -	460,000	28 May -	60,000
Irish Education - - -	12 June -	164,577	12 June -	10,000
Dublin Police - - -	12 June -	36,500	18 June -	3,000

Attention was not directed in this office, as I admit ought to have been done, to the fact, that when the two first Royal Orders were issued no Ways and Means existed warranting such Orders, and that, consequently, they were not executed in conformity with the law. A vote in Ways and Means had, however, been taken in the House of Commons, and the Appropriation Act was in progress that would have given them validity had that Act been previously passed.

I regret to say that, acting on the Royal Orders in question, and your Lordships' Secretary's issuing letter, credits were issued as if no irregularity had taken place in your Lordships' department. That error was not discovered.

But on the 19th June an issuing letter was addressed to me to transfer 3,000 *l.* to Ireland for the Dublin Police under the Royal Order of the 12th June. The irregularity was then first brought under my notice, and I felt it my duty to decline making the transfer, as it was unsupported by due authority, no Ways and Means being unappropriated.

I had the honour of communicating to the Chancellor of the Exchequer the fact of the previous appropriation of the whole of the Ways and Means granted, and the legal objection which existed to the Royal Order for the Dublin police. At that time I was not aware that the two credits for the Kaffir War and the Irish Education were subject to the same objection.

But a series of Royal Orders, of which the following is a list, have since been forwarded to me, which are all equally irregular, and on which I cannot legally act. I beg to refer your Lordships to my letter to the Treasury, of 22d November 1841, and to the opinion of the law officers referred to therein. Perhaps this reference may suggest to your Lordships, as a fit subject of consideration, the mode in which these irregularities may be corrected, and I shall be happy to concur with your Lordships in taking the simplest and most convenient mode of correcting the errors I have noticed.

I should not have addressed this letter to your Lordships, but for the error which *per incuriam* has taken place in the Exchequer, and for which I hold myself responsible.

Awaiting your Lordships' instructions,

I have, &c.
(signed) *Monteagle*, Compt^r.-Gen^l.

The Lords Commissioners
of Her Majesty's Treasury,
&c. &c. &c.

APPENDIX.

Royal Orders and Treasury Warrants, dated 12 June 1852.

		£.
Chief Secretary's Office (Ireland)	A° 1852	22,563
Board of Public Works - ditto	„	32,013
Mint Expenses	„	36,439
Office of Woods	„	20,645
Lord Privy Seal	„	2,680
Commissioners of Public Works	„	22,820
Comptroller-General, Exchequer Office	„	6,326
Paymaster-general's Office	„	23,150
Poor Law Commissioners	„	221,361
Factory Officers, &c.	„	15,190
Public Record Office	„	11,668
Port Patrick Harbour	„	1,351
Superintendence of Prisons	„	16,196
Stationery, accommodation for	„	10,000
Sheriff's Expenses	„	17,700
Law Expenses (Scotland)	„	121,165
Law Charges in Ireland	„	57,710
Holyhead Harbour	„	89,396
Kingstown Harbour	„	11,028
Dublin Police	„	36,500
County Rates	„	240,000
Works, &c., New Houses of Parliament	„	121,249
Maintenance of Prisoners	„	159,123
Harbours of Refuge	„	170,000
Royal Palaces, &c.	„	113,476
Stationery	„	216,509
Secret Service (dated 14 June)	„	32,000
Salaries, &c. Houses of Parliament	„	95,800
Paymaster Civil Services Office, Ireland	„	6,051
Household, Lord Lieutenant	„	6,464
State Paper Office	„	2,761
Officers in Scotland	„	1,700
Ecclesiastical Commisionsers	„	3,273
Colonial Office	A° 1852	38,815
Privy Council Office	„	65,320
Foreign Office	„	67,735
Treasury	„	54,400
Home Office	„	26,550
Education, Great Britain	„	160,000
Royal Parks, &c.	„	60,546
Prison and Convicts	„	261,522
Public Buildings (Ireland)	„	35,865
Repository for Public Records	„	8,320
Justices, &c., West Indies	„	33,862
Governors, &c., ditto	„	19,528
Western Australia	„	7,059
Western Coast of Africa	„	13,780
Indian Department, Canada	„	12,424
Ecclesiastical Establishment, B. N. America	„	7,747
St. Helena	„	10,802
Bermudas	„	4,019
Port Essington	„	491
Queen's University, Ireland	„	1,710
University of London	„	3,957
Royal Hibernian Academy	„	300
Royal Irish Academy	„	300
Royal Dublin Society	„	6,340
Professors, Belfast	„	3,000
Geological Survey	„	14,920
Scientific Works, &c.	„	4,018
Scottish Universities	„	7,560
Schools of Design, &c.	„	17,920
Oxford and Cambridge Professors	„	2,006
National Gallery	„	2,495
Buildings, British Museum	„	21,350
Establishment, ditto	„	52,343
Antiquities, ditto	„	2,966
National Gallery, Scotland	„	5,000

Treasury to Comptroller-General. 26 June 1852.

My Lord, Treasury Chambers, 26 June 1852.

I have laid before the Lords Commissioners of Her Majesty's Treasury your Lordship's letter of the 22d instant, pointing out irregularities which have arisen in the execution of Royal Orders, and am directed to acquaint you that My Lords deeply regret that irregularities should have occurred, both in their Department and in the Exchequer, in so important a branch of the public service as that relating to the issue of money.

I have to state to your Lordship that it appears to My Lords that the simplest mode of obviating the difficulty to which these irregularites have led, will be that their Lordships should submit to Her Majesty warrants for altering the apportionment directed by former Royal Orders of the sums appropriated to paying off Exchequer Bills, and for the services of the Army, Navy, and Ordnance.

My Lords cannot conclude without expressing their hope that such irregularities will not again occur, either in their Department or in that which is under your Lordships' control.

I have, &c.
(signed) *Geo. A. Hamilton.*

The Comptroller-General of the Exchequer.

Comptroller-General to Treasury. 13 July 1852. *See* List of Royal Orders and Treasury Warrants appended.

My Lords, Exchequer, 13 July 1852.

I have postponed acknowledging the honour of your Lordships' letter of the 26th June till I had examined and controlled the several Royal Orders and Treasury Warrants marked in the margin. This has now been done, and under the force of the amending Royal Orders, and corresponding Warrants of the 24th and 25th June. the 53 Warrants founded on the votes of 4 and 7 June are, in my judgment, rendered available for the public service, and valid.

In reference to the hope which your Lordships express, that such irregularity may not take place again, either in your Lordships' Department or in mine, I have much satisfaction in assuring you that I have given such directions as shall ensure the immediate notice of any such irregular Royal Orders or Treasury Warrants as those I have alluded to, should they be addressed to the Exchequer; so that the issues which such Orders and Warrants may direct may immediately be stopped. In the two cases which unfortunately did occur before

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before the irregularity in the issue of the Royal Orders and Treasury Warrants was discovered at the Exchequer, and the transfer under a third Warrant stopped by me, this Department was misled by the course, for the first time, I believe, adopted by your Lordships, in exhausting the whole ways and means voted on the three great services, and on the year's Exchequer Bills, and by the subsequent preparation of Orders and Warrants before ways and means had been provided.

I have, &c.
(signed) *Monteagle,*
Comptroller-General.

The Lords Commissioners of
Her Majesty's Treasury,
&c. &c. &c.

APPENDIX to Comptroller-General's LETTER of 13 July 1852.

A LIST of ROYAL ORDERS and TREASURY WARRANTS which have not been acted on.

DATE OF RESOLUTION.	SERVICE.	AMOUNT.
		£.
4 June 1852	Salaries, Chief Secretary's Office, Ireland	22,563
4 —	Salaries, Board of Public Works	32,013
4 —	Expenses, Poor Law Commissioners	221,361
4 —	Salaries, Inspectors of Factories	15,190
4 —	Salaries, Exchequer	6,326
4 —	Salaries, Public Record Office	11,668
4 —	Port Patrick Harbour	1,351
4 —	Superintendence of Prisons	16,196
4 —	Expenses, Stationery Department	10,000
4 —	Sheriffs' Expenses	17,700
4 —	Law Expenses, Scotland	121,165
4 —	Law Charges, Ireland	57,710
4 —	Holyhead Harbour, &c.	89,396
4 —	Kingstown Harbour	11,028
4 —	County Rates	240,000
4 —	New Houses of Parliament, Works at	121,249
4 —	Maintenance of Prisoners	159,123
4 —	Harbours of Refuge	170,000
4 —	Royal Palaces and Public Buildings	113,476
4 —	Expense of stationery, printing, &c.	216,509
4 —	Secret Service	32,000
4 —	Salaries, Houses of Parliament	95,800
4 —	Salaries, Lord Lieutenant's Household	6,464
4 —	Salaries, State Paper Office	2,761
4 —	Salaries, Officers in Scotland	1,700
4 —	Expenses, Ecclesiastical Commissioners	3,273
4 —	Salaries, Home Office	26,550
4 —	Public Education, Great Britain	160,000
4 —	Prisons and Convict Establishments at home	261,522
4 —	Public Buildings, Ireland	35,865
4 —	General Repository, Public Records	8,320
7 —	Justices, West Indies	33,862
7 —	Governors, West Indies	19,528
7 —	Western Australia	7,059
7 —	Western Coast of Africa	13,780
7 —	Indian Department, Canada	12,424
7 —	Ecclesiastical Establishment, North America	7,747
7 —	St. Helena	10,802
7 —	Bermudas	4,019
7 —	Port Essington	491
7 —	Queen's University, Ireland	1,710
7 —	London University	3,957
7 —	Royal Hibernian Academy	300
7 —	Royal Irish Academy	300
7 —	Royal Dublin Society	6,340
7 —	Salaries, Theological Professors, Belfast	3,000
7 —	Geological Survey, Ireland	14,920
7 —	Scientific works, &c.	4,018
7 —	Scottish Universities	7,560
7 —	Oxford and Cambridge Professors	2,006
7 —	Expenses, National Gallery	2,495

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DATE OF RESOLUTION.	SERVICE.	AMOUNT.
		£.
7 June 1852	National Gallery, Scotland	5,000
7 —	Buildings, British Museum	21,350
10 —	New Zealand	10,000
10 —	Heligoland	986
10 —	Falkland Islands	9,474
10 —	Emigration	14,083
10 —	Captured Negroes	30,000
10 —	Suppression of Slave Trade	11,250
10 —	Consuls abroad	150,983
10 —	Superannuations	135,359
10 —	Toulonese and Corsican Emigrants	3,219
10 —	Vaccine Establishment	2,000
10 —	Refuge for the Destitute	325
10 —	Polish Refugees	3,300
14 —	Miscellaneous, formerly Civil List	4,469
14 —	Foundling Hospital, Dublin	1,691
4 —	Law Charges, England	21,000
4 —	Insolvent Debtors Court	8,830
4 —	Transportation of Convicts	101,041
4 —	Convict Establishments in the Colonies	253,587
14 —	Civil Contingencies	100,000
14 —	Encumbered Estates' Commission	11,730
14 —	Concordatum Fund	6,552
14 —	Dr. Steeven's Hospital, Dublin	1,050
14 —	House of Industry, Dublin	9,788
14 —	Westmorland Lock Hospital	1,500
14 —	Female Orphan House, Dublin	600
14 —	Incurables Hospital, Dublin	350
14 —	Fever Hospital, Dublin	2,660
14 —	Lying-in Hospital, Dublin	600
14 —	Repairs, Ambassador's House, Madrid	783
14 —	Navigation, Menai Straits	4,000
14 —	Lighthouses abroad	7,760
15 —	Labuan	4,000
15 —	Hong Kong	12,000

MINUTE, 13th July 1852.

THE Comptroller-general has had brought before him, for his control, all the outstanding Royal Orders, with the corresponding Treasury Warrants, which have been hitherto received at the Exchequer, but upon which as yet issues have not been directed. He has compared them with the Resolutions of Supply on which they are founded, and to which he has found them strictly conformable. He has thus taken cognisance of each of these documents, and has marked it with his initial in red ink, in testimony of its having been so tested and controlled, and has thus completed the examination of every document for the issue of public money, under the authority of a vote of supply, as far as the completion of the Royal Orders enables him to do.

Comptroller-General's Minute of 13 July 1852. *See* List of Royal Orders and Treasury Warrants appended to Comptroller-General's Letter of 13 July 1852.

In respect to the remaining Royal Orders, which have not as yet been forwarded from the Treasury, the Comptroller-general directs that a memorandum should be subjoined to the daily report forwarded to him, stating the day on which they are sent to the Exchequer, the date of the several Resolutions as recited on reference to the Appropriation Act, the object of the credits or transfers, and the amount specified in such Orders and Warrants.

In executing this duty, it is, however, indispensable to notice the special circumstances of the case. In respect to the 53 Royal Orders and Treasury Warrants issued in relation to the Supplies voted on the 4th and 7th June, it is clear that they were prepared and signed before corresponding ways and means had been provided by Parliament, and that consequently such Orders and Warrants could not have been held to come under the provisions of the Exchequer Act, and to have been carried into effect. The Comptroller-general, however, reads the Royal Orders of the 24th and 25th June, in which the irregularity alluded to is acknowledged and corrected. On these grounds he has had no difficulty in affixing his initials of approval to the several Orders and Warrants, and in directing that they should be acted on whenever issuing letters are received.

(signed) *Monteagle*,
Comptroller-General.

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(No. 33.)

Overcharge for Lord Chancellor's Salary.

My Lords, Exchequer, 11 February 1853.

Comptroller-general to Treasury, 11 Feb. 1853.

I BEG to call your Lordships' attention to some circumstances connected with certain charges on the Consolidated Fund which I allowed to be made in the quarter ended 5th January last, with reference to the salaries of the late and present Lord Chancellor, and of the Right honourable Lord Cranworth, as one of the Lords Justices of Appeal in the Court of Chancery.

In your Lordships' Quarterly Warrant of Issue of the 6th January, for expenses of Courts of Justice, the following sums are stated to be due; viz.

For the late Lord Chancellor - - - - - -	£.	1,500	– –
For Lord Cranworth, one of the Lord Justices of Appeal -		1,500	– –

Having received notice from your Lordships of the appointment of Lord Cranworth as Lord Chancellor, bearing date the 29th December 1852, the above sums cannot be correct, and the following sums are what they are entitled to receive:

Late Lord Chancellor, to 28th December inclusive - -	£.	1,362	1	4
Lord Cranworth, as one of the Lords Justices of Appeal, to 28th December 1852 inclusive - - - - - -		1,362	1	4
Lord Cranworth, as Lord Chancellor from 29th December 1852 to 5th January 1853 - - - - - - -		137	18	8

This leaves an overcharge of 137*l.* 18*s.* 8*d.*, which it must be obvious to your Lordships cannot be issued.

I was induced to allow the charges in question, as I was informed that there was a temporary difficulty in obtaining the dates of the new appointments before closing the charge on the Consolidated Fund for the quarter, and because I was aware that the ultimate production of the evidence required would take place before the Warrant was exhausted, but from the inconvenience which has arisen from the *Warrant* of *Issue* containing incorrect amounts, your Lordship will perceive that it will hereafter be advisable not to make any issue before the correctness of the charge has been ascertained by the production of evidence showing the dates of the appointments.

There is a sum of 5,167*l.* 9*s.* 7*d.* remaining unissued on the Warrant, and I have to request that your Lordships will have the kindness, before making any further issues, to inform me how this overcharge is to be corrected.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

(No. 34.)

Supplemental Votes, 1852-53; Duke of Wellington's Funeral, &c.

My Lords, Exchequer, 11 March 1853.

Comptroller-general to Treasury, 11 March 1853.

I REGRET to say that, after much consideration, I do not feel that I am authorised by law to carry into effect your Lordships' directions, in placing to the credit of the Paymaster-general the sum of 10,000*l.* on account of the charge of 80,000*l.* for the funeral of the late Field Marshal the Duke of Wellington.

The Royal Order of the 21st February, which was transmitted to me, with a corresponding Treasury Warrant of like date, and your Secretary's Letter of the 3d of March, are the documents on which this issue is directed to take place, and to the circumstances of this issue I beg to call your Lordships' attention.

The Supplemental Votes taken by the House of Commons on the 7th December 1852 are all for the service of the year 1852 53, or, to speak less technically, for the service of the year ending April 1853. They are not so expressed in the Resolutions of the House of Commons (Votes No. 27, p. 82), and in the Estimates for the present Session, laid before Parliament by Her Majesty's Command, they are included in the Comparative Estimates (Navy Estimates, p. 3; Ordnance Estimates, p. 3) as being so voted.

But the Royal Order of the 21st February 1853, describes the particular Vote in question as being part of the amounts of Grants for 1853-54; this description is at variance with the preceding part of the Warrant, as well as with the Vote of the House of Commons.

Your Lordships will also be pleased to observe, that if the Vote had been rightly described as for the year 1853-54, or, in other words, for the year ending April 1854, it could not regularly have been issued until the present financial year had closed, and in that case it would have been inconsistent with the principle on which the Estimates of the present year have been prepared.

I may, I trust, be excused in calling your Lordships' attention likewise to the difficulty which may hereafter arise out of the peculiar position in which these Votes stand in respect to the ordinary principles of the Appropriation Act; they could not have been included in the Appropriation Act of 1852, the Votes not having then taken place, and the Appropriation Act

Act of the present Session, *if drawn up in the usual form, and without making due provision for the Resolutions of the 7th December*, could not include them, as that Bill could not apply to the services provided for in the year 1853–54, under which designation these Votes do not come.

Submitting these matters for your Lordships' consideration.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

To the Lords Commissioners of the Treasury.

My Lord, Treasury Chambers, 24 March 1853.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to observe to your Lordship, in reply to your letter of the 15th instant, that undoubtedly great confusion has arisen with regard to the votes taken in supply on the 7th December last, part of which were described in the Estimate as supplemental to the Votes of 1852–53, and to defray charges which may probably be incurred before the 31st of March 1853, and others, which were described, "towards defraying charges in the year 1852–53," but that my Lords, after the most careful consideration, can only treat them as Votes in the present Session of Parliament, and which my Lords will feel it their duty to see are included in the general Appropriation Act at the close of the Session, so as to bring them clearly within the description of "Grants for 1853–54;" and that referring to your Lordship's doubt in that case of the propriety of making an issue thereon before the 31st March, my Lords cannot entertain a doubt that when the House of Commons passed these Votes in December, and the Legislature subsequently placed at the disposal of the Government Ways and Means applicable thereto, that it was *the intention of Parliament* that issues should be made for the purposes contemplated, when they should be required. And my Lords are of opinion that the Government should not therefore allow a technical difficulty, if such exists, to stand in the way of the intentions of the House of Commons, in which they have no doubt your Lordship will concur.

Treasury to Comptroller-general, 24 March 1853.

As it appears that the public Services require that a considerable portion of the sums so voted must be paid in the course of the present month, my Lords entertain a hope that with these explanations, and with the information before you, that these Votes will all be included in the Appropriation Act of the present Session; the doubts entertained by your Lordship, and expressed in your letter, as to the propriety of making the issues in question, will be removed.

I am therefore to request that your Lordship will direct the same to be done forthwith, as the monies are required for immediate and pressing use.

I have, &c.
(signed) *James Wilson.*

My Lord, Treasury Chambers, 14 March 1853.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship, that my Lords have viewed with considerable surprise the declaration made by your Lordship in your communication of the 11th instant, that you do not feel authorised by law to issue the sum of 10,000 *l.*, part of the sum of 80,000 *l.* voted in the present Session of Parliament for the funeral expenses of the late Duke of Wellington.

Treasury to Comptroller-general, 14 March 1853.

The law of the case appears to my Lords simple and clear.

In the present Session of Parliament the House of Commons has granted to Her Majesty sundry sums for sundry services, and by an Act of the present Session (16 Vict. cap. 2), ways and means have been granted to make good the same, and the 11th section of the Act 4 Will. 4, cap. 15, which regulates your Lordship's office, does not appear to my Lords to require that you should do more than satisfy yourself of the above facts.

As to the fears expressed by your Lordship that the Appropriation Acts will not fully and effectually embrace all and every the money votes in supply, and Ways and Means Acts passed by the Legislature, it is a subject pretty well understood that the Committees of the House of Commons are vigilant to the minutest point in recording all the financial operations of the Session, and there therefore seems to be no doubt that the Appropriation Act for the present Session will make due provision for the resolutions of the 7th of December last.

I have, &c.
(signed) *James Wilson.*

My Lords, Exchequer, 15 March 1853.

I HAVE to acknowledge the receipt of your Lordships' letter of the 14th instant, in which your Lordships state that you have received with considerable surprise my declaration that I do not feel authorized by law to sanction the issue of the sum of 10,000 *l.*, being part of 80,000 *l.* voted for the funeral expenses of the late Field Marshal Duke of Wellington. Your Lordships are pleased to state your judgment that the law on the case is simple and clear, and you suggest the reasons on which that judgment is founded.

Comptroller-general to Treasury, 15 March 1853.

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Your Lordships will bear in mind that no precedent for the issue, as directed by Her Majesty's Royal Order of the 21st February, *is to be found, or has ever existed in this department, from the period of its first establishment to the present time*; this circumstance, in itself, renders attention necessary to insure strict regularity in all respects, where the responsibility which I owe to both Houses of Parliament is involved.

But I fully admit to your Lordships that a proceeding, though without the sanction of precedent, may not necessarily be without the sanction of law, and that it is by the latter rule alone that it behoves me to regulate the decisions which I am not only empowered, but *required* to pronounce on such matters.

To this, which is the main and essential question, I shall proceed to apply myself, as the principle involved is one of no common importance, and is one which, if admitted, would lead to consequences not only unprecedented, but, in my mind, subversive of the authority of Parliament and of the Act for regulating this office, which it is my duty to enforce.

Your Lordships will perceive that it is not only necessary to consider the Acts to which you refer me, but the purport and form of the Royal Order of the 21st February 1853, a copy of which I had the honour of transmitting for your review, but which, in your Secretary's letter of the 14th March, seems to have been altogether overlooked.

Your Lordships are aware that I am bound to see that the Royal Order, the Treasury Warrant, and the Issuing Letter, in respect to every act of issue, are in all particulars in conformity to law, and that if an irregularity exists in any one of them I have no option, but am bound to suspend or to refuse my Exchequer Warrant.

The Royal Order of the 21st February 1853 designates the grant of 80,000 *l.* as made "for 1853-54." The section 11 of 4 Will. 4, c. 15, requires me to "satisfy myself that the "Royal Order is in conformity with the Grant of Parliament."

I refer your Lordships to the original Votes, of which this is one, and which your Lordships will perceive are for the service of the year 1852–53, and not for the following year 1853–54.

But I again call your Lordships' attention to the other alternative. Supposing that the Vote was taken for the service of the year 1853–54, as stated in the Royal Warrant, your Lordships will perceive that it could not be issued by me till the commencement of that year, namely, after the 31st March. To act otherwise would enable your Lordships to apply, at the present time, the Votes taken for Army, Navy and Ordnance during the present Session, though granted for the year ensuing: a course that would overthrow all usage and all responsibility if generally applied.

Again, assuming the Vote to have been for the service of 1852–53, were I to charge it, as the Royal Warrant directs, to the grants of 1853–54, I conceive that the accounts which I am bound to lay before Parliament and the Audit Office would exhibit an obvious error and irregularity. The books and accounts of this department are made records by statute s. 16, a principle on which I have invariably acted, and which would prohibit me from making any entry therein inconsistent either with the law or with the fact.

In reference to the course I have felt it to be my duty to take, in declining to give effect to the Order and Warrant, I beg leave to refer your Lordships to the proceeding in the months of October and November 1841. I then felt it to be my duty to object to 106 Royal Orders and Treasury Warrants which I showed to be irregular, and which the then Government of the late Sir Robert Peel took immediate steps to amend, and to bring into conformity with law and precedent.

In like manner, I beg to refer you to the correspondence of June last on an analogous occasion, when 53 Royal Warrants being objected to by me on the ground of irregularity, were corrected by a subsequent warrant. On that occasion, it is true that two irregular warrants had been acted on by this department before the Treasury error was discovered, but it was most properly stated in Mr. Hamilton's letter of the 26th June, that your predecessor hoped no such irregularity would again occur; and in my reply of the 12th of July, I informed the Lords of the Treasury that should irregular Orders or Warrants be addressed to this department in future, their Lordships might depend upon the care I should take to stop or suspend them; this I have now done in conformity with the provisions of the Act of Parliament, and with my responsibility to both Houses.

In reference to your Lordships' observations respecting the Appropriation Act, I have fully to admit that it did not come within the ordinary functions of the Comptroller-general to point out a future inconvenience which might lead to embarrassment to the public service, but which might be obviated by a simple, easy and effectual precaution. But under the previous Governments with which I have been in relation, I have always been led to consider that such suggestions made as a matter of public duty, were thankfully acknowledged and received.

But I conclude, from your Lordships' observation, that it is your Lordships' desire that this course should be no longer taken, and I shall conform myself with readiness to such suggestion, though it may cast upon me the necessity of checking an irregularity where it has arisen, in place of pointing out means of preventing its occurrence.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Treasury,
&c. &c. &c.

My

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Comptroller-general to Treasury, 24 March 1853.

My Lords, Exchequer, 24 March 1853.

I HAVE received the Royal Order and Treasury Warrant, bearing date the 21st February, directing me to place to the credit of the Paymaster-general a sum of 150,000*l.* for the purchase of lands at Kensington, together with the corresponding issuing letter of your secretary, for 141,000*l.*, directing me to charge the same in my accounts as an issue out of the Consolidated Fund under the 15 & 16 Vict. cap. 82, and in part of 2,000,000*l.* granted by the 16 Vict. cap. 6, "*for the service of the year* 1853."

I have also to acknowledge the receipt of Mr. Wilson's letter of the same date, explanatory of this issue. It is unquestionably true that the difficulty and embarrassment which have arisen may be traced to the mode in which the Votes of the 7th December 1852 were taken, and ways and means were subsequently provided; difficulties which I had individually anticipated at the time, and endeavoured to avert.

These Votes are all practically made by Parliament according to the form of words uniformly adopted by the House, as being for the service of the year ending 31 March 1853, the difference of words in the Votes for the Supplemental Army, Navy, and Ordnance Services, and the words for the Votes for Purchase of Lands and the Duke of Wellington's funeral, only arising from the fact that the latter are for one distinct and specified object.

But whilst the Supply Votes are thus for the year 1852–53, as appears by the records of the House of Commons, the Ways and Means are provided for the service of 1853–54, those services are only applicable in strict law on the close of the present financial year, or on the 1st April next ensuing.

Your Lordships, however, are pleased to assure me, that in order to obviate any difficulty on this subject, "that these Votes shall be included in the General Appropriation Act at the "close of the Session, so as to bring them clearly within the description of grants for "1853–54." This fully answers the object which I had in view, when in my letter of the 11th instant I called your Lordships' attention to the Appropriation Act, with a view to obviate an inconvenience to which I was aware the public, as well as your Lordships, might be exposed.

In confidence that Parliament will acquiesce in the proposed enactment, I feel myself justified, under existing circumstances, in considering these votes as passed for the service of the year 1853–54.

But a further difficulty remains to be considered. The Ways and Means voted for the year 1853–54, under the 16 Vict. c. 6, are available, it is true, for the votes of that year, among which, on the grounds stated, I am willing to include the Votes of the 7th December; but they are not regularly available for such purpose till the 1st April. On that day I should feel myself justified in giving effect to the Royal Orders which I have or may hereafter receive. But as I have been assured, from official authority, that the payment of the sum of 141,000*l.* for land at Kensington, being in aid of a sum appropriated by the Royal Commissioners, is required to be made this day, the party entitled to receive this sum being about to quit England, considering also that Parliament is not now sitting, and that the sum required is more than could be advanced out of any contingent fund, though most reluctant to depart from the strict regulation and requirements of this office, I feel myself justified in forwarding my warrant to the Bank under the pressing and peculiar circumstances of the case.

When your Lordships, however, refer to what may have been the intentions of Parliament and the opinion of your Lordships that the Government should not allow a technical difficulty to stand in the way of those intentions, and add, that your Lordships have no doubt that I shall concur in such opinion, I am compelled to express my dissent from it; I am bound solely to consider the legal import of the documents presented to me, and the laws on which they rest. I should be guilty of great presumption were I to put a construction on the Act of Parliament in reference to the intention of its framer. I beg to refer your Lordships to the following extract from a letter addressed by me to Sir R. Peel's Board of Treasury, which states the principles on which I then acted, and still feel it my duty to act:

"I most humbly submit to your Lordships that I should set at nought all the obligations "imposed on me by the statute constituting my office, if I were to substitute for the first "and legal construction of an Act of Parliament a reference to the supposed intention of "its framers. With the most sincere deference for your Lordships, I venture to suggest, "that the only interpretation which I am at liberty to put on the statute law of the land "is that which would be given to that statute law in courts of justice." (Letter 4 November 1841.)

I have occupied more of your Lordships' time than I could have wished; but as I am aware that in signing the warrant for 141,000*l.* on the present occasion I am going beyond the line that would be justifiable, except under the pressure of a peculiar exigency, I am desirous of recording my reasons for so doing, not only to avoid creating a dangerous precedent, but to ensure my responsibility to both Houses of Parliament, should this question be adverted to in the Legislature.

I have, &c.

(signed) *Monteagle*,
Comptroller-general.

The Lords Commissioners of
Her Majesty's Treasury,
&c. &c. &c.

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Treasury to Comptroller-general, 5 April 1853.

My Lord, Treasury Chambers, 5 April 1853.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship, with reference to your letter of the 24th ult., that my Lords have carefully investigated the circumstances under which the Votes in Supply of the 7th December 1852 were granted, and for which a Bill furnishing Ways and Means received the sanction of the legislature on the 21st of February, and that they have carefully examined the books of the revenue departments of the Treasury for a period extending over 50 years, and have discovered many precedents for the view which they have taken in relation to the Votes of December; the mode in which the Royal Orders and Warrants should be drawn, and the time at which they are authorised to order issues to be made in respect thereto.

As, however, it does not appear to my Lords that this part of the practice of the Treasury and the Exchequer has ever been sufficiently clearly defined, so as to be easily rendered applicable upon some general rule to accidental or unusual circumstances under which Votes may be granted by Parliament for special purposes, my Lords are desirous to avail themselves of this occasion to establish some such general rule which may obviate a recurrence of a similar inconvenience to that which has recently been experienced.

In doing so, my Lords may feel it necessary to take the opinion of the law officers of the Crown upon some points, with regard to which they differ from the views expressed by your Lordship, but in that case my Lords will cause a copy of the case to be submitted to you before it is sent to the law officers.

My Lords are quite prepared to agree with your Lordship that you are bound by the legal import of the documents presented to you in making issues from the Exchequer, and that you would not be justified in putting a construction on an Act of Parliament, differing from its legal effect in reference to the supposed intention of its framers; but my Lords are of opinion the construction which they put upon the Votes of the 7th of December was fully borne out, not only by the terms of those Votes, and of the Act which granted Ways and Means in reference thereto, but also by numerous precedents which they have found in referring to past practice, while they have been unable to discover one which would lead them to a different conclusion.

The Comptroller-general of the Exchequer.

I have, &c.
(signed) *J. Wilson.*

Comptroller-general to Treasury, 14 April 1853.

My Lords, Exchequer, 14 April 1853.

I HAVE the honour to inform your Lordships that, in pursuance of the Royal order for 2,000,000 *l.* for Navy Services, and the corresponding Treasury Warrant, dated 30th March 1853, together with Sir C. Trevelyan's issuing letter for 50,000 *l.*, dated 14th April 1853, I have signed my direction of credit for that sum, and for that service addressed to the Bank of England.

But inasmuch as the recital in such order and service does not correspond with the Votes of the House of Commons of the 7th December 1852, so far as it states that those Votes were for the service of 1853/54, whereas the votes of the House of Commons specify the naval services provided for in different terms, I have directed the credit required, notwithstanding the discrepancy set forth, in consequence of the assurance conveyed by your Lordships, in Mr. Wilson's letter of the 24th ult., that these Votes of the 27th December should be included in the Appropriation Act of the year, and recognised thus by the legislature as being for the service of the present year.

The Lords Commissioners of Her Majesty's Treasury, &c. &c. &c.

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

(No. 35.)

Corrections and Observations on Scrip of Exchequer Bonds.

Comptroller-general to Mr. Wilson, 8 June 1853.

My dear Sir, Exchequer, 8 June 1853.

I HAVE given my best attention to the form of scrip for the Exchequer bonds, which you sent me yesterday, and, feeling some serious objections to the proposed draft, I availed myself of your permission to communicate directly with Mr. Coulson, who attended me here, agreeably to your instructions.

The objections I felt were two, the one relating to the principal sum of the proposed bonds, the other in relation to the interest, and they were both founded on an unconformity existing between the draft of scrip and the Act of Parliament.

It would not have been according to law in either case to have omitted mention of the material fact founded on the Act of Parliament, and on the Treasury Minute and "Gazette" notice, that the redemption of the principal would only take place "so soon as Parliament "should have made the provision in respect thereof," and that the payment of interest after the day fixed in the Act, viz., the 1st of September 1894, was subject to the like contingency.

This is precisely analogous to our form of Exchequer bills, which are made payable "out of any supplies to be granted in the Session of Parliament *next after* the passing of "the said Act."

Mr.

Appendix, No. 9.

Mr. Coulson concurred with me and with Sir E. Ryan on these points, and made the amendments of the scrip which he has added to the original draft, which I return.

The scrip is thus proposed to run as follows: "This bond entitles the bearer to ———— " carrying interest, payable half-yearly, on the 1st day of March and 1st day of September, " from the date hereof, at the rate of 2 *l.* 15 *s.* per cent. per annum, up to the 1st day of " September 1864, inclusive, and thenceforth at the rate of 2 *l.* 10 *s.* per cent. per annum, " until and including the 1st day of September 1894, and thereafter is subject to redemp- " tion on payment of such sum of ———— at the option of the Commissioners of Her " Majesty's Treasury, so soon as Parliament shall have made due provision in respect " thereof. The several sums in respect of interest mentioned in the annexed certificates " are transferable by delivery of such respective certificates, and will be payable to the " persons producing and delivering the same *

Believe me, &c.
(signed) *Monteagle,*
Comptroller-general.

James Wilson, Esq.
&c. &c. &c.

Enclosure in Comptroller-general's letter of 8 June 1853, showing the corrections in the form of Bond.

THIS Bond entitles the bearer to 1,000 *l.* ~~to be paid at such time after the 1st day of September 1894 as may be appointed by the Lords Commissioners of Her Majesty's Treasury for the redemption hereof, and carries~~ *carrying* interest payable half-yearly on the 1st day of March and 1st day of September, from the date hereof, at the rate of 2 *l.* 15 *s.* per centum per annum, up to the first day of September 1864, ~~and thereafter~~ *inclusive and thenceforth* at the rate of 2 *l.* 10 *s.* per centum per annum, *until and including the first day of September 1894, and thereafter is subject to redemption on payment of such sum of 1,000 l. at the option of the Commissioners of Her Majesty's Treasury, so soon as Parliament shall have made due provision in respect thereof.* The several sums in respect of interest mentioned in the annexed certificates are transferable by delivery of such respective certificates, and will be payable to the persons producing and delivering the same.

Treasury to Comptroller-general, 23 June 1853.

My Lord, Treasury Chambers, 23 June 1853.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith the enclosed form of an Exchequer Bond, and to authorise your Lordship to get the same prepared forthwith.

I am at the same time to observe to your Lordship, that as some doubt has been expressed whether the Act authorising the issue of Exchequer Bonds provides for interest being paid thereon after the 1st day of September 1894, in the event of the Government not then exercising the option of redeeming the same, and as it is necessary that no such doubt should be entertained by the public, my Lords have been pleased to direct that the form of Bond shall include words which shall make this point plain and explicit; and that the question shall be referred to the law officers of the Crown, as to whether 16 Vict., c. 23, carries that construction; and if they shall be of opinion that it does not, then my Lords will direct that a provision to that effect shall be included in a Bill to be presented to Parliament in order that the form of Bond shall be in exact conformity with the Act or Acts of Parliament.

I have, &c.
(signed) *J. Wilson.*

The Comptroller-General of the Exchequer.

BY virtue of an Act of the Session holden in the 16th and 17th years of Her Majesty Queen Victoria, chapter 23, and of a Treasury Warrant bearing the date the
185 .

This bond entitles the bearer to 1,000 *l.*, carrying interest at the rate of 2 *l.* 15 *s.* per centum per annum, payable half-yearly on the 1st day of March and 1st day of September from the date hereof up to the 1st day of September 1864 inclusive, and thenceforth at the rate of 2 *l.* 10 *s* per centum per annum, payable half-yearly in like manner, until and including the 1st day of September 1894, and thereafter is subject to redemption on payment of such principal sum of 1,000 *l.*, at the option of the Commissioners of Her Majesty's Treasury, so soon as Parliament shall have made due provision in respect thereof (and until such redemption such principal sum of 1,000 *l.* will continue to carry interest at the said rate of 2 *l.* 10 *s.* per centum per annum). The several sums in respect of interest mentioned in the annexed certificates are transferable by delivery of such respective certificates and will be payable to the persons producing and delivering the same.

Note.—The forms for dates, and signature, and attestation (which may be deemed advisable) to be added.

Appendix, No. 9.

Treasury to Comptroller-general, 8 July 1853.

My Lord, Treasury Chambers, 8 July 1853.

With reference to the letter of this Board of 23d June, whereby your Lordship was informed that the Lords Commissioners of Her Majesty's Treasury had desired that the opinion of the law officers of the Crown should be taken upon the construction of the Act 16 Vict., c. 23, so far as affects the provision for the interest of the Exchequer Bonds authorised to be created and issued thereby, which shall accrue after September 1894, in the event of their not being then redeemed, I am directed to acquaint you that the Solicitor to the Treasury reports that he has raised for the consideration of the law officers the following three points; viz.

1st. Whether, under the Act as it stands taken together with the Treasury Minute issued thereon, the holders of such bonds would be entitled to claim interest after the 1st day of September 1894, provided the same shall not be redeemed, and if so at what rate? And also, in that case,

2d. Whether the form of bond transmitted to your Lordship in the letter above referred to, including the necessary words to the effect that such bonds would carry interest after the 1st September 1894 until redeemed, is strictly in accordance with the said Act, and whether such words may be inserted, if my Lords think it desirable, in order to prevent any misconstruction of the terms of the said bonds? And,

3d. If such be the case, whether the same provisions made for the payment of the interest prior to the 1st September 1894, and the same practice of the Treasury for giving effect to such provisions, will equally apply to the payment of interest after that date, so long as the bonds are not redeemed?

Upon these points my Lords have received from the Solicitor opinions to the following effect:

1st. That interest at the rate of 2 *l.* 10 *s.* per cent. will be payable after the 1st September 1894, and until the bonds are actually paid off.

2d. That the words inserted in the bond, viz., "and until such redemption such principal "sum of 1,000 *l.* will continue to carry interest at the said rate of 2 *l.* 10 *s.* per centum "per annum," are in accordance with and warranted by the Act of Parliament. And,

3d. That all the provisions of the Act applicable to the bonds and the payment of interest as between the 1st day of September 1864 and the 1st day of September 1894, will be applicable to the bonds and the interest thereon after the 1st day of September 1894, save only that the bonds will be liable to be paid off at any time, at the option of the Commissioners of the Treasury.

My Lords are therefore of opinion, that the form of bond as already settled and transmitted to your Lordship may be adopted without any further enactment, and I am therefore to request that the preparation of such bonds may be proceeded with with all speed. I am to add that the further details necessary to complete the said bonds will be furnished very shortly.

I have, &c.

To the Comptroller-general of the Exchequer. (signed) *James Wilson.*

Comptroller-general to Treasury, 9 July 1853.

My Lords, Exchequer, 9 July 1853.

I have the honour to acknowledge the receipt of your Lordship's letter of yesterday's date, in which you inform me that the Solicitor to the Treasury reports that he has raised for the consideration of the law officers certain questions relating to the form of the Exchequer Bonds, which I am directed to prepare under the 16 Vict. c. 23, that opinions have been received from the solicitor to the following effect.

1st. That interest at the rate of 2 *l.* 10 *s.* per cent. will be payable after the 1st September 1894, and until the bonds are actually paid off.

2dly. That the words proposed to be inserted in the bond, viz., and until such redemption, such principal sum of 1,000 *l.* will continue to bear interest at the said rate of 2 *l.* 10 *s.* per annum, are in accordance with and warranted by the Act of Parliament; and,

3dly. That all the provisions of the Act applicable to the bonds and the payment of interest, as between the 1st day of September 1864 and 1st day of September 1894, will be applicable to the bonds and the interest thereon after the 1st day of September 1894, save only that the bonds will be liable to be paid off at any time at the option of the Commissioners of the Treasury. Before I proceed to make some remarks on these opinions, your Lordships will permit me to observe, that if this were distinctly a case in which the authority of the Comptroller-general of the Exchequer was in the present stage of the proceedings involved, it would be absolutely necessary that the case and opinion referred to for his guidance should be communicated to him, or that he himself should obtain such legal authority as should be conclusive in his own mind. This principle was absolutely laid down during the government of Sir Robert Peel in the official correspondence between Mr. Goulburn, the Chancellor of the Exchequer, and this department, and was acted on by me at the desire of the Board of Treasury of that day; any other course would obviously be to delegate the statutable authority vested in the Comptroller-general to

others,

others, and to render its exercises dependent upon documents which that officer had never seen, and for which he could not hold himself responsible. If the question now raised was therefore to impose any charge on the Consolidated Fund, or to authorise any issue from the Exchequer for interest beyond the term of the 1st September 1894, with the utmost deference and respect I venture to suggest that the letter of the 8th of July would not, in my judgment, furnish me with the authority or justification on which I should be prepared to act.

But the 16 Vict. c. 23, s. 39, enacts that it shall be lawful "for the Commissioners of the "Treasury from time to time, subject to the provisions herein contained, to prescribe the "method and form in which Exchequer bonds under this Act shall be made out and "issued," and by the section 37, it is provided that these bonds, bearing interest, and conformable to the terms and provisions of this Act, shall be made out at the "receipt of "the Exchequer." It therefore appears to me, that it is upon your Lordships, and not upon me, that the responsibility rests of selecting the words used in the scrip of the bonds, provided no charge is allowed by me to be placed on the Consolidated Fund, or no issue directed, which, in my deliberate judgment, appears to be contrary to law. There can be no difficulty felt in respect to the form of words adopted by your Lordships, so far as relates to the redemption of the principal of these bonds, as the insertion of the words "*so soon as "Parliament shall have made due provisions in respect thereof,*" by thus adopting the exact words of the statute, prevents any possible doubt from arising. The certificates which I have been directed by your Lordships to prepare for issue are also within the period, and for the amount included in the s. 2 of the 16 Vict. c. 23, namely, from the date of the bond to the 1st September 1894.

This is also in conformity with your Lordships' notice of the 13th May 1853, addressed to the holders of Exchequer bills, and published in the "London Gazette," in which your Lordships were pleased to announce "that the interest was payable to the 1st day of "September 1894." It is therefore with the highest respect that I inform your Lordships that it is on these grounds only that I feel myself authorised to give effect to your Lordships' letter of the 8th instant, as if the question had been to authorise the charge of interest beyond the term prescribed in the Act of Parliament; I should have felt myself precluded from doing so by s. 12, 4 Will. 4, c. 15, which imposes on me the obligation of first satisfying myself that the payments directed are duly authorised by law. Whether the holders of the Exchequer bonds would in the terms of the question put by the Solicitor of the Treasury, "be entitled to claim interest after the first day of September 1894," I presume not to say; but I feel assured that there does not exist by law any fund out of which such payment could now be legally directed by your Lordships, or allowed by the Comptroller-general. In this respect the interest, after the 1st day of September 1894, and the capital of the bonds, appear to me to rest on precisely the same grounds, and that both are able to be paid in such manner, and out of such funds as Parliament shall provide hereafter. This is consistent likewise with the number of certificates for interest which your Lordships have directed me to prepare, and which are now in a state of forwardness in the hands of the engraver. These certificates extend to the 1st September 1894, and no longer; nor indeed could they be issued otherwise, either in law or in practice, as being not only contrary in my judgment to the statute, but also impossible to be made out for an indeterminate period.

Your Lordships, at the close of your letter, request that the preparation of these bonds should be proceeded in with all speed. This, my past correspondence, will show your Lordships I have done, even to the extent of acting in anticipation of the formal authorities which the Act requires. But it will be necessary, more especially in relation to the form of scrip now finally adopted, and which gives the pledge of the Board of Treasury for a continuance of the interest beyond the time for which it appears to me that Parliament has made provision, that I should receive your instructions by warrant (s. 39) under your Lordships' hands, and that such warrant should be published in the "London Gazette."

I have, &c.

The Lords Commissioners of Her Majesty's Treasury.

(signed) *Monteagle,* Comptroller-General.

(No. 36.)

Payments for Ionian Government not made according to Treasury Direction.

C. B., Vol. 8, p. 25.

My Lords, Exchequer, 3 September 1853.

On the 29th March 1851 your Lordships addressed a letter to me, acquainting me that you had directed the Paymaster-general to transfer to the Exchequer account at the Bank of England the sum of 44,437 *l.* 14 *s.* 7 *d.*, being the balance of sums received from the Ionian Government on account of staff and certain other charges for the Ionian financial years, January 1848, 1849, 1850. No such transfer being made to my account as directed, I received another letter from your Lordships, dated 6th March 1852, *referring to your previous communication of the former year,* and apprising me that directions had been given to the Paymaster-general to make the transfer as previously directed in 1851. The transfer, as *directed by your Lordships,* did not take place on this second occasion in 1852.

Appendix, No. 9.

Your Lordships will see that in both Treasury letters I was informed that it was your Lordship's desire that the receipt should be carried to the account of the Consolidated Fund, *under the head of "Imprest and other Monies."*

It was not until the present year that, on inquiry being made from one of the officers of the Paymaster's department, I learned that the sum of 44,437 *l.* 14 *s.* 7 *d.*, being Ionian payments, as advised by your Lordships, was included in a sum of 79.322 *l.* 9 *s.* 1 *d.*, described as Ordnance receipts, brought to account in the quarter ending 31st March 1852, and paid by Mr. Anderson for the Paymaster-general on the 22d of May 1852, but was not so advised to me.

Your Lordships will observe that the effect of this variance between the payment as made, and your Lordships' directions for payment as given in the letters of 1851 and 1852 has not only been the delay, but also that in the accounts of this department, and laid before Parliament, this sum of 44,437 *l.* 14 *s.* 7 *d.* has been entered as Ordnance extra receipts, in place of being classed with "Imprest and other Monies," according to the instructions twice given by your Lordships.

The specification paper of the 21st May 1852 made no allusion to any Ionian payment whatever, but described in a different and inconsistent manner the payment made, leaving me wholly in the dark and uninformed on the subject. The discrepancy between your Lordships' letter of 1851 and 1852, as compared with the specification paper of 21st May in the latter year is unintelligible to me.

Submitting this report for your Lordships' consideration,

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

The Lords Commissioners of
Her Majesty's Treasury,
&c. &c. &c.

C. B., Vol. 8, p. 32.

(Reply.)

My Lord, Treasury Chambers, 12 September 1853.

With reference to your Lordship's letter of the 3d instant, I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint you that the letter of the 6th March 1852, referred to by you, was written in error, and that the Minute of this Board upon which it was issued directed that the Paymaster-general should not carry into effect the direction given in March 1851 to transfer the sum of 44,437 *l.* 14 *s.* 7 *d.* to the Exchequer account at the Bank of England, but that he should cause it to be placed to the credit of the Ordnance department, to be paid over to the Exchequer as money which would formerly have been brought in aid of the Ordnance Estimates, but under the present system should be included with other extra receipts brought to account by the Ordnance.

A letter ought to have been written to your Lordship acquainting you with this change, instead of the letter of the 6th March 1852, which was sent on the occasion.

I have, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer.

(37.)

Issue of Exchequer Bills for Supply Services.

(1.)

My Lords, Exchequer, 13 December 1853.

Comptroller-general to Treasury, 13 Dec. 1853.

As the late issue of Exchequer Bills for supply services differed in some respects from the ordinary issues for the periodical exchanges, I think it my duty to report to your Lordships the mode in which it has been completed.

In the case of the exchanges, the department of the Paymaster-general is bound to send *to this office* for the Exchequer Bills when those securities are prepared for delivery. They are counted over *here* by the Clerks to the Paymaster, and the receipt of the Paymaster-general is handed to me *before I permit the bills to leave this office.*

In the present instance I received your Lordships' instructions to hand the present issues of Exchequer Bills to the Bank of England. From the peculiar exigency, and from the difficulty of completing the duty within the time limited, I was constrained, in place of asking your Lordships to apply to this case the same regulations now in force with the Paymaster-general, to send this sum of 1,427,400 *l.* *from this office to the Bank.* They were contained in one of my official boxes, and placed in the joint custody of the senior Clerk, an Exchequer Messenger, and an officer of the Metropolitan Police, and were safely handed over, as directed by your Lordships.

I submit,

Appendix, No. 9.

I submit, however, that, should issues of this description be continued or repeated, the officers of the Bank of England should be directed to attend at this office, to count over the bills here, and to give me a discharge, before public securities, payable to bearer on delivery, are permitted to issue from this department.

I enclose your Lordships a copy of the receipt given me by the Bank of England. Your Lordships will see endorsed upon that receipt the several heads of voted services, to which this issue is appropriated by law, and to which severally this large sum is applicable. Your Lordships are aware that in the accounts which it is my duty to lay before Parliament, I am bound to state, on the one hand, the monies received to the Exchequer Account, and on the other the Transfer and Credits issued by my warrants, under your Lordships' authority. The balance should represent accurately the difference between these two sums. But whilst the several credits specified on the back of the enclosed account must enter on the issue side of the account, it is impossible that a corresponding sum of 1,427,000 *l.* should appear as *monies received* on the other. It must therefore be made a special and an explanatory entry, marking that it represents, not money received by this department, but Exchequer Bills to that amount, made out here, and transferred to the Bank, under your Lordships' directions, to be made available in the mode set forth in the indorsement for the several Votes specifically voted by Parliament.

Your Lordships will excuse me if I also feel it my duty to call your Lordships' attention to one further point of considerable constitutional importance. The credits given to the several departments are exactly corresponding to the nominal value of the Exchequer Bills issued, or, in other words, to their value at par; they are so charged in my books as against the several Parliamentary Votes. Now, if these bills should be realised otherwise, either at a premium or at a discount, as the case might be, in the former case a larger sum might be placed at the command of the Executive Department than had been authorised by the Appropriation Act; or in the latter case the amount contemplated by the Vote of Parliament might not be available. The surplus produced by the premium might in this case be employed freed altogether from the check of this office, and the restraints provided to guard against authorised appropriations.

Submitting these matters to your Lordships' wisdom,

I have, &c.

(signed) *Monteagle*,
Comptroller-general.

The Lords Commissioners of the Treasury, &c. &c. &c.

Your Lordships will also observe, that in the Returns of the Bank of England, made to your Lordships and to me, no entry whatever is made of any part of this sum of 1,427,400 *l.*, as among the payments made, a circumstance adding to the difficulty of the case as relating to the public accounts.

Bank of England, 10 December 1853.

Enclosure in Letter of 13 Dec. 1853.

Received of the Right honourable the Comptroller-general of Her Majesty's Exchequer 1,771 Exchequer Bills, amounting to 1,427,400 *l.*, Supply 1853, per 16 Vict. c. 25, to be placed to the account of Her Majesty's Paymaster-general for Services as on the other side; viz.:

1,284	Bills of £.	1,000	each, Nos.	6026 to 7309	£. 1,284,000
201	ditto	500	„	1981 „ 2181	100,500
143	ditto	200	„	900 „ 1042	28,600
143	ditto	100	„	3958 „ 4100	14,300
1,771	Bills.				£. 1,427,400

For the Governor and Company of the Bank of England.

(signed) *J. R. Elsey*,
Deputy Cashier.

(Endorsement.)

					£.
Army	400 of £.	1,000, Nos.	6026 to 6425		400,000
Navy	358 „	1,000 „	6426 „	6783	358,000
	200 „	500 „	1981 „	2180	100,000
	140 „	200 „	900 „	1039	28,000
	140 „	100 „	3958 „	4097	14,000
	838			£.	500,000

Appendix, No. 9.

(Endorsement.)

						£.
Ordnance - - - - - -	185	of £.	1,000,	Nos.	6784 to 6968	185,000
Kaffir War - - - - - -	200	„	1,000	„	6969 „ 7168	200,000
Prisons and Convict Establishments	10	„	1,000	„	7169 „ 7178	10,000
Transportation of Convicts - -	5	„	1,000	„	7179 „ 7183	5,000
Buildings, British Museum - -	6	„	1,000	„	7184 „ 7189	6,000
Consuls Abroad - - - - -	5	„	1,000	„	7190 „ 7194	5,000
Superannuations - - - - -	30	„	1,000	„	7195 „ 7224	30,000
Salaries, Two Houses of Parliament -	12	„	1,000	„	7225 „ 7236	12,000
Ditto Treasury - - - - -	10	„	1,000	„	7237 „ 7246	10,000
Ditto Home Department - -	6	„	1,000	„	7247 „ 7252	6,000
Ditto Foreign ditto - - -	12	„	1,000	„	7253 „ 7264	12,000
Ditto Colonial ditto - - -	10	„	1,000	„	7265 „ 7274	10,000
Ditto Privy Council Office - -	15	„	1,000	„	7275 „ 7289	15,000
Ditto Poor Law Commissioners -	10	„	1,000	„	7290 „ 7299	10,000
Ditto Paymaster-general - -	5	„	1,000	„	7300 „ 7304	5,900
Ditto - - ditto - - -	3	„	200	„	1040 „ 1042	
Ditto - - ditto - - -	3	„	100	„	4098 „ 4100	
Ditto Office of Woods - -	5	„	1,000	„	7305 „ 7309	5,500
Ditto - - ditto - - -	1	„	500	„	2181 - -	
	1,771 Bills, amounting to - - £.					1,427,400

(signed) *J. R. Elsey*,
Deputy Cashier.

(2.)

My Lord, Treasury Chambers, 11 January 1854.

Treasury to Comptroller-general, 11 Jan. 1854.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship that my Lords have had under their consideration your letter of the 13th ultimo, detailing the course that you have pursued in relation to the issue of Supply Exchequer Bills, to the amount of 1,427,400 *l.* on the 10th ultimo.

In the first place, my Lords would remark, that this issue is only a part of an entire issue of 31,27,400 *l.*, under similar circumstances, during the present quarter; and therefore my Lords would have wished, that if your Lordship thought it necessary to make any representations on the subject to this Board, that they had applied to the whole sum, as doing so only to a part may lead to an inference that there is something special in the particular issue which has been made the subject of your observations. In reference to your observations as to the difference which exists in the issue of the Exchequer Bills referred to, and the ordinary issues in exchange for old bills, my Lords would remark, that the Paymaster-general is a public officer of the Crown, upon whom the duty of receiving the new bills from the Exchequer has been imposed, and who performs it in the manner so clearly detailed by your Lordship. The duty, in the present instance, where original Exchequer Bills have been issued to the Bank of England direct as part of the Supply Services voted by Parliament, of delivering those Bills to the Bank, has devolved upon the Comptroller-general of the Exchequer, and my Lords entirely approve of the precautions which your Lordship took to secure their safe transmission from your office to the Bank. But your Lordship suggests, that if in future any similar issues should be made, the duty of transmitting such Bills should be imposed upon the Bank of England; and that an officer of that establishment should be directed to attend at the Exchequer Office in order to receive them, and to give a discharge before they leave the office. My Lords are clearly of opinion, that they would not be *entitled* to impose such a duty upon the Bank, but that, as in the transmissions of all other monies and securities, and of your Lordship's warrants for the appropriation of revenue to particular Services, it is the place of the Government to deliver them to the Bank.

In reference to your Lordship's remarks as to the effect which these transactions will have upon the accounts which you present annually to Parliament, my Lords are entirely at a loss to understand in what manner the slightest difficulty can occur. In the first place, your Lordship paid out of the ordinary revenue receipts of the year, and the money grants, Exchequer Bills to the amount of 3,127,400 *l.*, in place of exchanging them for new bills, which payment will, of course, appear on the debit side of your account with the Bank of England against the general receipts of the year and the said money grants; and when, at a subsequent period of the year, new bills are issued for the purposes for which they were granted by Parliament, the amounts applied to the several Public Services for which they are issued will appear on the debit side of the account, and will be balanced by a credit to the amount of the Exchequer Bills issued to the Bank, placed on the credit side in the same form as Deficiency Bills are introduced, and by this means a perfect balance will be restored to the account.

In reference to that portion of your Lordship's letter which refers to the rate at which the Exchequer Bills may be negotiated, and to any premium or discount which may arise therefrom, my Lords would remark, that the function of the Exchequer office is confined in this respect to

to the exact amount of the Votes of Parliament, as detailed in the Appropriation Act, and therefore, as in the grant of Exchequer Bills for the Supply Services of the year, they are computed at *par*. My Lords are distinctly of opinion, that the Comptroller-general of the Exchequer "can only deal with them as at *par*, and that any consideration of premium or discount is a question between this Board and Parliament, and to be accounted for in the same manner as other profits or deficiencies, as the case may be."

I have, &c.
(signed) *James Wilson.*

(3.)

My Lords, Exchequer, 13 January 1854.

Comptroller-general to Treasury, 13 Jan. 1854.

I HAVE to acknowledge your Lordships' Secretary's letter of the 11th instant, on the subject of the late issue of Exchequer Bills. From the respect which I feel to be due to your Lordships, and from the necessity of maintaining a perfect accuracy in all that concerns the public accounts and financial correspondence, I am assured that your Lordships will feel that I only perform my duty in respectfully setting your Lordships right on some points on which you are in error, in consequence, very probably, of a want of precision in my letter of the 10th December. (1.) Your Lordships state, that the issue of 1,427,000 *l.* formed only part of a sum of 3,127,400 *l.* made out in Exchequer Bills, under your Lordships' warrant; so that you could have wished that any representations I had thought it necessary to make had applied to the whole sum. My letter was intended by me to apply in all its essentials to the whole transactions, and was necessarily and justly written at its completion, more especially on its most essential part, and related to the mode in which the Exchequer Accounts should be made up, and laid before Parliament in April, so as to represent the facts truly. (2.) Your Lordships seem to consider that it would have been inexpedient to call on the officers of the Bank to take up the Exchequer Bills in question, which your Lordships were pleased to add, were delivered under my authority in a manner of which you approved. But I should respectfully submit the expediency of reconsidering the opinion you have expressed in Mr. Wilson's letter in this respect. By your Lordships' Minutes the unsigned and incomplete Exchequer Bills, and the very paper on which they are to be printed, are required to be kept in the strong room of this office, in an iron chest, and under the joint and several custody of three public servants, precautionary measures adopted by your Lordships' predecessors, on my recommendations, and laid before Parliament. Even in transferring these bills to the Paymaster-general, I feel precluded from doing so till I have obtained that officer's receipt, which is given before the bills are taken out of my custody. Whereas, on the present occasion, your Lordships are inclined to recommend that complete Exchequer Bills payable to bearer, and negotiable by a simple delivery, should be transmitted in a hackney carriage, in the care of a clerk and policeman, from Whitehall to Threadneedle-street, subject to the obstructions and possible chances of such proceeding. I think your Lordships will see the greater necessity for not adhering to this course, when I inform you that, having on the late issue of Exchequer Bonds requested the Bank of England and the South Sea Company to send their receipts to this department, and hereto take up the bonds, no objection was even suggested to this mode of proceeding. Of course, if I receive your Lordships' authority and order to transmit these securities to the Bank, I shall act accordingly, but with the explicit declaration, that I disclaim any responsibility for what I must continue to consider an unnecessary risk. The transmission of Deficiency Bills is no precedent, as those securities not being payable to the bearers, but solely to the Bank of England or order, are exposed to no risk whatever, still less are the Exchequer Warrants for credits on transfers, which merely lead to an entry in the accounts with particular departments, and could not be misapplied, into whatever hands they might fall. (3.) In relation to the most important question which I have submitted to you, namely, the mode in which this Exchequer Bill transaction should appear in the Parliamentary Accounts, your Lordships write under a total misconception of the facts of the case, and of the forms of account, which I am bound, by the construction of this office, to render. It is true that the issue of 3,127,400 *l.* for Exchequer Bills paid off in money appears, as represented by the warrants of credit drawn by me, as against the Exchequer Account at the Bank. This has no connexion whatever with the issue of a like sum of Exchequer Bills issued subsequently for other specified services appropriated by Parliament, and the one is not in this sense a balance for the other: on the contrary. Neither can that later issue of Exchequer Bills appear in any shape as a payment to any account. Had the course recommended by this department, and considered to have been adopted by your Lordships, been pursued, and had the Bank, or any other body taking the Exchequer Bills, paid in the money proceeds, and that credits had consequently been issued to the Paymaster-general, the account would have explained itself, have presented a just balance, and have faithfully recorded the whole transaction.

That your Lordships have not apprehended this part of the case rightly will be obvious when I call your attention to your concluding sentence. You suggest that I should follow the same form in which deficiency bills are introduced into the accounts, by which means your Lordships consider that a perfect balance would be produced. A reference to these annual accounts will show your Lordships that the principal of deficiency bills never appears on the accounts. *The advances made by the Bank* on the security of these bills are paid into

Appendix, No. 9.

the Exchequer, and consequently appear as payments to my account, balanced by the amount by credits issued to pay off those securities. In the present case no monies whatever have been paid into the Exchequer Account in respect of these Exchequer Bills by the Bank, or any other authority; whilst all the credits and transfers made in satisfaction of the services thus intended to be provided for, must appear on the face of the account, and thus a failure in showing a just balance arises inevitably. The case of Deficiency Bills in no respect applies. The last point to which your Lordships advert, is the possible case of the disposal of Exchequer Bills at a premium, whilst they have been issued for the public supply service by this department at par. Your Lordships state that the functions of the Exchequer are confined in this respect to the exact Votes of Parliament as detailed in the Appropriation Act. I adopt this principle willingly. But assuming that, for a Vote of 100,000*l.*, Exchequer Bills to the same nominal amount, taken at par, were appropriated, and that these bills were taken by the Bank of England from the Treasury at 10*s.* or 20*s.* premium, it would be clear that the Parliamentary Vote to which your Lordships very properly have referred, would be to that extent exceeded. It would not, therefore, be legally appropriated for such a purpose, and ought, according to what I believe was the precedent in earlier times, to be repaid back to the credit of the Exchequer. To consider that it could be held at the unrestricted disposal of the Treasury, would be to permit the recurrence of some of the earlier abuses against which it would be your Lordships' desire, as well as duty, to guard. It is, therefore, strictly with the view of guarding against the exceeding of any Parliamentary Vote, and providing for the rigid adherence of the Act of Appropriation, that I have ventured to make these remarks.

I have, &c.

The Lords Commissioners of Her Majesty's Treasury.

(signed) *Monteagle*,
Comptroller-general.

(4.)

My Lords, Exchequer, 16 January 1854.

Comptroller-general to Treasury, 16 Jan. 1854.

I REGRET to trouble your Lordships again on the subject of my letter of the 13th instant, but I feel myself bound to lay before you some further information collected from the records of this office, which seems to me conclusive on the two points on which your Lordships have been disposed to differ with my suggestions.

Delivery of Supply Bills at Bank.

The first was my recommendation, that when on a late occasion the Bank of England was called on to receive Exchequer Bills, payable to bearer, the mode of delivery should be, that the Bank officer, furnished with a proper receipt, should attend at the Exchequer, count over and examine the bills, hand over the receipt to me, and convey his charge to the Bank. By this course I sought to maintain the principle which prescribes that I shall not part with such bills from this office without first obtaining a proper receipt, and that the risk of conveyance and transit should not fall on the Exchequer. To this attendance of the Bank agent at the Exchequer, your Lordships state your objection, apparently on the supposition that some unreasonable or unprecedented demand was thus made on the Bank. In reply, I informed your Lordships, that in the last issue of Exchequer *Bonds*, both the Bank and the South Sea Company had, without complaint or objection, adopted the course I recommended.

Appendix (A.)

But I have since found a more conclusive precedent in the correspondence of this department, 11 February 1840, in reference to the transfer of Exchequer Bills to the Bank. The Comptroller-general wrote to the Governor, Sir John R. Reid, as follows: "*If you send a Bank clerk here, he can have the bills counted over, and delivered to him in one of our boxes, of which he will take charge for you.*"

The reply of the Governor of the Bank of England was immediate, and to the following effect: "*I take the liberty of suggesting that the necessary specification paper be delivered to the Bank clerk, who attends daily at the Paymaster-general's office in the afternoon of the day* previous to the issue of the Exchequer Bills. The clerk will produce the specification papers to the Comptroller-general on the following morning, and receive the Exchequer Bills in exchange."

The same course has been pursued in respect to Public Works Bills, West India Compensation Bills, Church Bills, and all other similar securities. In short, I believe I may state, that in no instance whatever have negotiable Exchequer Bills been allowed to quit this office without the previous passing of the necessary receipts from the party, whether public or private, authorised to demand possession of these securities.

I now therefore submit to your Lordships, that, in conformity with the principle undeviatingly acted upon in the ordinary issues of Exchequer Bills, in conformity with the mode adopted with the Exchequer Bonds, and in strict adherence to the arrangements made in 1840 with the Bank of England, that in this case under consideration it is expedient to require the Bank to attend here, and to give their receipt to me before the Exchequer Bills are removed from this office, when their safe custody is provided for by special arrangements, approved of by a former Board of Treasury, and laid before Parliament.

Premium on Supply Bills.

(2.) Your Lordships have also differed with me on the more material and constitutional principle, respecting the application of any possible premium which might be obtained by the sale or other negotiation of Exchequer Bills issued for specific supply services, and calculated on their issue from this department at par.

On this subject, as on the former, since the date of my last letter, I have obtained from the records of this department conclusive evidence supporting the view I took of the question, and which will, I feel confident, induce your Lordships to reconsider your opinion. But I

must

must first respectfully remind your Lordships, that my primary duty is to check and prevent the possibility of any misappropriation of the public money, or any issues unsanctioned by Parliament, or exceeding the amount sanctioned by Parliamentary resolution or by law. If by an issue of Exchequer Bills at par, and disposed of at a premium, I am to overlook the fact that such premium would be an over-issue contrary to law, unless repaid by your Lordships to the public account, I should neglect the first duty. Appendix, No. 9.

Your Lordships, on the contrary, seem to assume that such excess would be held by you free from all responsibility to this department, which, as Sir James Graham stated on introducing the Bill of 1834, was established by Parliament to be "*an efficient control over the Executive Government, so far as related to the public expenditure.*" But I enclose to your Lordships three precedents taken from the records of the Exchequer in the Rolls Office, showing how such cases have been dealt with by your predecessors, acting in conformity with law and with the constitution. Appendix (B.)

On the 28th July 1826, the Right honourable S. R. Lushington and W. Hill, Esq., then Secretaries to the Treasury, paid back to the Consolidated Fund the sum of 1,232*l.* 11*s.* 6*d.*, being the extra sum realized by the negotiation of certain Exchequer Bills in the months of May and June.

On the 14th November of the same year, two further sums of like character of 2,979*l.* 7*s.* 2*d.*, and of 297*l.* 12*s.*, were also repaid to the Consolidated Fund.

In the following year, 6th November 1827, the late Right honourable Joseph Planta and William Hill, Esq., Secretaries to the Treasury, paid into the Exchequer for the Consolidated Fund 73,554*l.* 10*s.*, being the excess above the par value produced by the sale of Exchequer Bills in the public market.

But if any doubts could rest on your Lordships' mind as to the strict legality and correctness of this mode of proceeding, I beg to refer you to a correspondence between the Exchequer and the Audit Board in 1829, at a time when the late Lord Granville was responsible for the duties which have now devolved on me, when issues were made in Exchequer Bills for the public service; your Lordships will perceive that the auditors most properly required such information as should call on the several parties to whom Exchequer Bills had been issued for supply, to account for any surplus received beyond the par value of the Bills. Appendix (C.)

Feeling convinced that your Lordships' deliberate judgment must approve of every effort on my part to perform strictly those functions for which I am made by law responsible to the Houses of Parliament, and for checking any excessive issue or unsanctioned appropriation of the public money,

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

The Lords Commissioners of
Her Majesty's Treasury.

Appendix A.

LETTER from Comptroller-general to Governor of Bank of England, and reply, dated 11th February 1840.—(*See* CORRESPONDENCE, Book 2, fol. 61 and 62.)

Appendix B.

EXTRACT from Pell's Office "Introitus."—(*See* Lord Monteagle's Evidence, No. 619.)

Appendix (C.)

Audit Office, Somerset-place, 28 October 1829.

Sir,

* * * * * * * * * * *

I AM directed to observe, that the provisions contained in the 1st & 2d Geo. 4, c. 121, for distinguishing in the imprest certificates the issues made in *Exchequer Bills* from those made in *cash*, were founded on the recommendations contained in the Fifth Report (2d part) of the Committee on the Public Expenditure, upon the ground, as stated in the Report, that it was extremely important that the Auditors of Public Accounts should be made acquainted with the description of the issue, in order that parties receiving Exchequer Bills, instead of cash, might be made to account for the interest of such bills. Audit Office to Exchequer, 28 Oct. 1829. (Extract.)

I have, &c.
(signed) *John Lewis Mallet.*

G. C. Bedford, Esq.
&c. &c. &c.

Auditors' Office, 21 November 1829.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 28th of last month, from which it appears that the Commissioners for Auditing the Public Accounts are desirous that the quarterly imprest certificates transmitted to them from hence should convey a more effectual Exchequer to Audit Office, 21 Nov. 1829.

Appendix, No. 9.

effectual information respecting the issues made here out of Exchequer Bills than is contained in its present form; so that the Commissioners may the more readily arrive at a knowledge of the cases in which public accountants shall have received payment actually in the shape of bills, and of those in which, although the issue be stated as out of bills, they (the accountants) shall have received *payment* in cash.

After giving every consideration to the subject, I am induced to suggest to the Commissioners, first, the expediency of an application on their part to the Lords of the Treasury, for the counterpart retained there of the annual contracts entered into by their Lordships with the Governor and Company of the Bank of England for taking and circulating Exchequer Bills herein described.

Secondly, I would propose an improvement in or addition to the information contained in the quarterly imprests certificate, by inserting therein a description of all the several denominations of bills stated in it to have been issued, showing the title of the Act of Parliament, under whose authority, the year for whose service, and the amount for which they may have been made out.

These particulars will constitute a full description of the bills.

The entry of the contract in the office of the Commissioners will show, upon reference to it, for what bills, at their nominal value, the Bank bind themselves to furnish ready money, the Government, at the same time, being pledged to place those bills exclusively in the hands of the Bank, even though that nominal should be exceeded by the actual value of them at the instant of issue.

For all the bills thus described in the contract, it must be concluded that the public accountant has received from the Exchequer payment in cash. With respect to all other bills, and which are not described in the contract, it is to be concluded *primâ facie*, that they have been actually paid as such to the persons to whom they may be stated in the imprest certificate to have been issued, such as the Paymaster of the Forces and the Treasurer of the Navy and Ordnance, for whom the Bank received the payments, and occasionally, though very rarely, some individuals.

As those persons, in their character of public accountants, are amenable to the investigation of the Commissioners of Audit, I should hope that, from the answers given by them, those officers will be enabled, readily and without confusion, to obtain knowledge of how such bills may have been disposed of, how converted into cash for the public service in all instances, and from what quarter to call for any account of interest which may be supposed to have grown due upon them.

J. L. Mallet, Esq.
&c. &c. &c.

I have, &c.
(signed) *G. C. Bedford.*

Audit Office to Exchequer, 2 Dec. 1829.

Sir, Audit Office, Somerset House, 2 December 1829.

The Commissioners for Auditing the Public Accounts having had under their consideration your letter of the 21st instant, on the subject of the Quarterly Imprest Certificates transmitted from the Exchequer to this office;

I am to express the acquiescence of the Board in the suggestions contained in your letter, and to request that the future imprest certificates may be prepared in the manner proposed by you.

G. C. Bedford, Esq.

I have, &c.
(signed) *J. L. Mallet.*

(5.)

Treasury to Comptroller-general, 31 Jan. 1854.

My Lord, Treasury Chambers, 31 January 1854.

The Lords Commissioners of Her Majesty's Treasury having had before them an account, forwarded by the Bank of England, of the sale of Supply Exchequer Bills, which were issued for the public service during the last quarter, some of which were sold at par, and others at a premium, together with an account of the profit arising from the liquidation at a discount of South Sea and other stocks prior to the 5th January last; and the results attending these transactions being as follows; viz.:

	£.	s.	d.
Premium on Exchequer Bills sold, after deducting the broker's commission	5,011	6	–
Interest accruing on Exchequer Bills from the date of issues to the 5th January 1854, the day they were taken by the South Sea Company	8,085	18	4
Profit arising from the liquidation of South Sea and other stocks prior to the 5th January 1854	1,603	12	9

I am directed by their Lordships to authorise you to receive the above sums, and to place the same to the account of imprests and other monies of the Consolidated Fund.

The Comptroller-general, Exchequer,
&c. &c. &c.

I have, &c.
(signed) *James Wilson.*

(6.)

Treasury Chambers, 5 April 1854.

My Lord,

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to inform your Lordship that they have had under their consideration your letters of the 13th and 16th January 1854, upon the subject of the issue of original Exchequer Bills for supply services. Treasury to Comptroller general, 5 April 1854.

On a careful reconsideration as to whom the duty should devolve upon of carrying such bills from the Exchequer to the Bank, my Lords are confirmed in the opinion they expressed in their minute of the 27th December last. In looking to the principle which should decide this question, my Lords continue to make the same distinction between the case of the usual exchange of Exchequer Bills and that of a new issue, and to regard the latter as analogous to the transmission of monies or other securities to the Bank or the Government account.

My Lords are not insensible that there is some risk attending the transmission of Exchequer Bills, as of monies, to the Bank; but they do not consider that that risk, such as it is, can fairly, as matter of principle, be devolved on the Bank, which only acts in the matter as the agent, employed by the Government for its convenience and accommodation.

My Lords are, however, not disposed to take the same view of the extent of the risk as the Comptroller of the Exchequer appears to do, and they will be quite satisfied with the security afforded by the means adopted by your Lordship in December last; for though it is true that the accounts are large, and that the securities are payable to bearer, yet it must be quite obvious that, even in the highly improbable event of a forcible extraction of such securities on their way from the Exchequer to the Bank, it would be immediately known, and the circulation of a single Bill would be rendered impossible.

The only other part of your Lordship's letter which appears to require observation is that which refers to the appropriation of any premium which may be obtained upon the issue of such Exchequer Bills, upon which subject your Lordship has entirely misunderstood the scope of their Lordships' observations in their minute of 27th December 1853.

Your Lordship enters into a long argument, in order to show that it is consistent with principle and practice that the amount of such premiums should be accounted for and paid into the Exchequer. That is a point which was never doubted by my Lords, but which, on the contrary, was fully admitted in their said minute, when they stated that such premiums would be accounted for in the same manner as other profits which might arise. But what their Lordships contended for, and still continue to maintain, was, that this accounting is a matter between their Lordships and Parliament, and not with your Lordship's office.

I am, &c.
(signed) *C. E. Trevelyan.*

The Right honourable
the Comptroller-general of the Exchequer.

(7.)

Exchequer, 7 April 1854.

My Lords,

I HAVE to acknowledge your Lordships' letter of the 5th instant, written in reply to mine of the 13th and 16th January last. Comptroller-general to Treasury, 7 April 1854.

I proceed to reply to it, so far as relates to the transmission to the Bank of Supply Bills completed and fit for circulation, payable to the bearer. I shall not repeat my expostulation against allowing such bills to leave this office without my first obtaining a receipt from the party to whom they are delivered, or point out the inconsistency of transmitting, as your Lordships direct, bills required to be kept, even while in this office, in a vaulted room, and in an iron safe, and under the custody of three public servants: on this your Lordships have decided. After considering the objections, I felt it to be my duty to urge, and in a question which fully lies within your Lordships' province, I entirely submit to your authority.

But I must disclaim all responsibility for any risk or accident which may arise from this mode of proceeding.

Not having heard from your Lordships for nearly three months after my communication, I had directed the Bank to send for the bill according to the precedent of the 11th February 1840, to which they had raised no objection whatever; but on receiving your Lordships' last letter, I have recalled that direction, and I shall transmit the bill as now instructed by your Lordships.

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

To the Lords of the Treasury,
&c. &c. &c.

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(8.)

My Lords, Exchequer, 7 April 1854.

Comptroller-general to Treasury, 7 April 1854.

I HAVE the honour to acknowledge your Lordships' letter of the 5th instant, written in reply to my communication of the 13th and 16th of last January, and it becomes my duty to make some remarks on the important question on the premiums which may be obtained by the sale of Exchequer Bills, and the mode in which such premiums or interests is required by law to be applied.

This is a point lying wholly within the statutable duties of my office, on which I should much regret there should be any difference of opinion between your Lordships and myself. It is a matter rather of *appropriation* than of *accounts*, and depends upon that fundamental principle for the enforcement of which I am responsible to both Houses of Parliament, and to them alone, namely, to allow no issues of money under any circumstances beyond the sums by law appointed. From this duty I can by no means disengage myself, even if I could consider myself at liberty to do so, nor could even the high authority of your Lordships release me from the express obligation of the statute constituting my office.

The principle at issue is most simple.

I shall assume that your Lordships, by a warrant, direct and authorise me to issue 10 Exchequer Bills of 1,000 *l.* each, for a service of 10,000 *l.* voted by the House of Commons. If the premiums obtained on the sale of these bills, are paid back into the Consolidated Fund, I become a party to an unauthorised issue so far as the value of the Exchequer Bills is in excess above the vote; this I should consider to be contrary to law, unless the excess be paid into the Exchequer; and in the precedents which I laid before your Lordships, I was enabled to show to your Lordships that it would be no less contrary to authority and to the practice of the Treasury and of the Exchequer in former times.

In your Lordships' letter of the 11th January 1853, your Lordships informed me "that you are distinctly of opinion that the Comptroller-general can only deal with these Exchequer Bills as at par, and that any consideration of premium or discount is only a question between the Treasury Board and Parliament, and to be accounted for in the same manner as other profits or deficiencies." I considered this distinctly to negative my construction of the duty which I endeavoured to perform in preventing any excess or unauthorised funds from being placed even at your Lordships' disposal, and I felt bound to support my judgment by distinct reference to precedents strictly in point. This was done in my letter of the 16th January.

On the 31st January I received your Lordships' letter informing me that your Lordships, having obtained an account from the Bank showing the profits which had accrued on the sale of these Exchequer Bills, had been pleased to direct that two sums of 5,011 *l.* 6 *s.*, and 8,085 *l.* 18 *s.* 4 *d.*, the amount of such profits, should be paid in to the credit of the Exchequer accounts. This was, in fact, adopting fully the principle for which I had contended, adhering to the just rule of appropriation, and was also in strict conformity with the precedents laid down by your Lordships' predecessors in office. I considered the matter to be thus satisfactorily disposed of. I heard nothing more from 31st January to the 5th April.

It is with great regret that I perceive the points again raised by your Lordships' last letter, if indeed I understand it rightly. It is true that your Lordships state, that the propriety of the payments of the amount of premium received on these Exchequer Bills into the Exchequer was never doubted by your Lordships; but your Lordships conclude by stating that you continued, and still continue, to "contend that this accounting is a matter between your Lordships and Parliament, and not with the Office of the Exchequer." I am at a loss to reconcile these two statements.

But your Lordships will perceive that, unless it be admitted that, as a matter of principle and right, the amount of such premium is to be paid into the Exchequer accounts, so as to prevent any application of public money in excess of the specified vote, I shall be compelled to resort to some other mode for computing the issues in Exchequer Bills that would be more complicated and inconvenient. I entertain some expectation, however, that the obligation of repaying the amount of such extra receipts to the Exchequer will not be controverted, but will be adopted and acted upon as by Mr. Wilson's letter of the 31st January last, in which case no further difficulty or embarrassment can arise.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

To the Lords of the Treasury.

(9.)

My Lords, Exchequer, 3 July 1854.

Comptroller-general to Treasury, 3 July 1854.

AT the approach of the close of the quarter's accounts, I feel it my duty to bring under your Lordships' notice the circumstances attending the issue of 1,750,000 *l.* Exchequer Bills applied for supply services under the 17 Vict. c. 3.

These

These issues have been made as follows:—

			£.	s.	d.	£.	s.	d.
1854: April	7	Army	250,000	–	–			
,,	–	Navy	200,000	–	–			
,,	–	Ordnance	50,000	–	–			
						500,000	–	–
,,	17	Army	100,000	–	–			
,,	–	Navy	100,000	–	–			
,,	–	Ordnance	50,000	–	–			
						250,000	–	–
,,	22	Army	—					
,,	–	Navy	200,000	–	–			
,,	–	Ordnance	50,000	–	–			
						250,000	–	–
May	6	Army	100,000	–	–			
,,	–	Navy	100,000	–	–			
,,	–	Ordnance	50,000	–	–			
						250,000	–	–
June	9	Army	180,000	–	–			
,,	–	Navy	53,700	–	–			
,,	–	Exchequer Bills	266,300	–				
						500,000	–	–
					£.	1,750,000	–	–

These several issues of Exchequer Bills are placed to the accounts of the several supply votes for which they have been issued, taking their value at par; any amount which may have been realised by disposing of these bills at a premium, would, consequently, be an excess above the Vote, the Royal Order, and the Treasury Warrant, as well as beyond the issuing Letter, and, consequently, ought to be repaid to the Exchequer account according to the precedents acted upon by the Right hon. Sir R. Lushington and W. Hill, Esq., Secretaries to your Lordships' Board, 28th July 1826, and on the 14th November 1826, as also by the Right hon. Joseph Planta and William Hill, Esq., 6th November 1827, by the letter of the Auditor to this department, 28th November 1829, and more recently by your Lordships, on the 31st January 1854, when two sums of 5,011 *l.* 6 *s.* and 8,085 *l.* 18 *s.* 4 *d.* were repaid to the Exchequer account, and dealt with as imprest and other monies of the Consolidated Fund.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

To the Lords of the Treasury,
&c. &c. &c.

(10.)

Treasury Chambers, 20 July 1854.

My Lord,

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship, in reply to your letter of the 3d instant, that if any profit had been realized by the sale of the Exchequer Bills, to which your said communication has reference, my Lords would have caused the same to be paid to the credit of the public, in conformity with the practice which they have invariably followed in such cases. Treasury to Comptroller-general, 20 July 1854.

I have to state, that my Lords must repeat to your Lordship their opinion, that, under the Acts for the regulation of the Exchequer, your duties in regard to the issue of Credits cease when you have made those issues, in obedience to the provisions of the Acts by which they are authorized; that my Lords cannot admit that by the Exchequer Regulation Act, or any other enactment, you are invested with authority to call for accounts of the disposal of Exchequer Bills issued by you to a public accountant, under the directions of this Board; that this duty is imposed by law upon the Commissioners for auditing the Public Accounts, who are invested with full powers to enforce the rendering of accounts by all public accountants to whom credits in money or Exchequer Bills may be granted, and to examine and allow such accounts, and that such powers would be wholly inconsistent with the duties and functions of the Exchequer.

I have to add, that if your Lordship correctly sets forth the issues made by you in Exchequer Bills to the Paymaster-general, or to any other public accountant, in your imprest certificates rendered to the Audit Board, my Lords have no reason to doubt that proper steps will be taken by that Board to require the production to them of such accounts of the disposal of the bills as will enable them to satisfy themselves that the profit on them has been duly accounted for.

I have, &c.
(signed) *James Wilson.*

Appendix, No. 9.

(11.)

Gentlemen, Exchequer, 24 July 1854.

* * * * * * * * * *

Comptroller-general to Audit Board, 24 July 1854 (transmitting Quarterly Accounts; extract.)

You will also perceive that by the last page of these accounts, 1,750,000 *l.* has been made out by me, under 17 Vict. c. 3, and issued by the direction of the Treasury for specified supply services. As a matter of principle in relation to the Exchequer accounts of the sums set forth, of 630,000 *l.* for the Army, 353,700 *l.* for the Navy, 200,000 *l.* for Ordnance, are charged as on account of the Vote of Parliament, as at their nominal and *par value*, but, by the rate of the Bills, produce a greater sum by the receipt of a premium, there will be an excess beyond the Vote placed in the hands of the Paymaster to the amount of that premium; if sold at a discount, the operation would be opposite in its effects, and a lesser amount than the Vote would be issued. On this subject I beg to refer you to the correspondence between your predecessors and the late Grosvenor Bedford, Esq., acting for Lord Grenville, then Auditor of the Exchequer, dated 28 October and 21 November 1829.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Commissioners
for Auditing the Public Accounts,
&c. &c. &c.

(12.)

My Lords, Exchequer, 8 August 1854.

Comptroller-general to Treasury, 8 Aug. 1854.

I HAVE the honour to acknowledge your Lordships' letter of the 20th July, on the subject of the opinion I had communicated to your Lordships on the 3d of that month, to the effect, "that any amount which might have been realized by disposing of the Exchequer Bills for 1,750,000 *l.* issued for supply services ought to be repaid to the Exchequer Account, according to precedent and usage."

As your Lordships inform me, in your letter of the 20th, that "if any profit had been realized by the sale of these Exchequer Bills, your Lordships would have caused the same to be paid to the credit of the public, in conformity with the practice which they have invariably followed in such cases," this question is now closed as affecting the 1,750,000 *l.*

Perceiving with satisfaction that there is no difference of opinion between your Lordships and myself on the subject of the obligation of repaying to the public account any profits arising from the sale of Exchequer Bills, I need only respectfully refer your Lordships to my letter of the 16th January, which states my view of the law and usage regulating the department, in reply to the concluding observations with which you had favoured me.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

To the Lords of the Treasury,
&c. &c. &c.

(No. 38.)

Legality of Issues of £.1,750,000 before Commencement of Financial Year.

(Immediate.)

My dear Lord, Downing-street, 21 March 1854.

Chancellor of the Exchequer to Comptroller-general, 21 March 1854.

I FIND from Mr. Anderson that he has seen Mr. Ottey, and that he learns that there is some doubt on your Lordship's mind as to the legality of any issue from the 1,750,000 *l.* of Exchequer bills to be authorised by the Bill now in the House of Lords before the new financial year begins.

We have already been obliged to send money abroad (with the due formalities previously gone through), the expenditure of which belongs to 1854-55, and it is highly necessary that I should have the means of meeting those demands, should it seem fit, by appropriations of these Exchequer bills.

If therefore your Lordship entertains such a doubt, will you kindly supply me, at your *earliest* convenience, with the grounds on which it rests, that the matter may be put in course to be cleared up.

I remain, &c.
(signed) *W. E. Gladstone.*

The Lord Monteagle,
&c. &c. &c.

My dear Sir, Exchequer, 22 March 1854.

Comptroller-general to Chancellor of Exchequer, 22 March 1854.

I proceed to reply to your note of yesterday.

You inform me that in a conversation between Mr. Anderson and Mr. Ottey, the latter had stated that "There are some doubts in my mind as to the legality of any issue from the "1,750,000 *l.* to be authorised by the Bill now before the House of Lords, before the new "financial year begins."

I was

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I was not aware of any communication between the gentlemen you have named till I received your note, but if you will do me the favour of referring to my letter to yourself of the 8th March you will find that on receiving from you a copy of the resolution of the House of Commons, I wrote to you as follows:

"As I understand the resolution, and can from thence infer the provisions of the Act of "Parliament you mean to introduce, these Bills will all be applicable to the service of "1854–55, and therefore will not be issuable till after the 31st March. Should auxiliary "help be required in the meanwhile to support the revenue, I have a sufficient number of "Consolidated Fund bills prepared chargeable on future growing produce to meet that "case."

I did not hear from you from the 8th to the 21st, and had consequently no reason whatever to anticipate any doubt on your part with respect to what I considered to be almost a self-evident maxim repeatedly enforced at the Exchequer.

The Bill is now before me, and it is limited by its title to raising 1,750,000 *l.* by Exchequer Bills for the service of the year 1854.

Since 1832, when, for the purpose of altering the commencement of the financial year from the 1st of January to the 1st April by voting five quarters at the outset and passing the 2 & 3 Will. 4, c. 104, for regulating the period of rendering the public accounts and the Appropriation Act of the same year, c. 126, the whole financial administration, votes in supply, and votes in ways and means, has been governed on the principle then introduced. The year 1854 therefore commences 1 April 1854.

The Exchequer bills now voted are therefore legally issuable only for the purposes of the year from 1 April 1854 to 31 March 1855.

You will find this principle laid down in my correspondence with the Treasury in March 1853 and in the other cases referred to in that correspondence.

I have given you this explanation, though it might have been in the present instance sufficient to state that on receiving your letter of the 3d instant I gave immediate orders to make every preparation to avoid delay. I have therefore been acting before the Exchequer Bill Act has received the Royal Assent, and in anticipation of the Treasury warrant. But even under these circumstances I do not expect to have the bills of 1,750,000 *l.* completed before the 1st April.

I do not quite understand your statement that you have been obliged to send money abroad for expenditure of 1854–55 "*the due formalities being previously gone through.*" No Exchequer warrant either has or in my mind could be granted to that effect.

The Exchequer balances on Saturday, I find, stood at about 2,400,000 *l.* and the Consolidated Fund bills issued amounted to 790,000 *l.*

I am prepared for the final issue of Exchequer bonds, but though the statutable power of issue will cease, it may be expedient to preserve the plates and paper, as I have no doubt that we shall be called on to replace worn or effaced bonds by the substitution of new ones.

Always, &c.
(signed) *Monteagle.*

To the Chancellor of the Exchequer,
&c. &c. &c.

(Extract.)

Exchequer, 4 April 1854.

Memorandum.—The 1,750,000 *l.* Exchequer bills *are all prepared for completion*, when the date and the rate of interest are communicated by the Treasury to the Exchequer.

Comptroller-general to Chancellor of Exchequer, 4 April 1854.

(signed) *Monteagle,*
Comptroller-General.

The Chancellor of the Exchequer,
&c. &c. &c.

(No. 39.)

Discontinuance of Quarterly Consolidated Fund Treasury Warrant.

(1.)

My Lords, Exchequer, 1 August 1854.

I beg to call your Lordships' attention to an omission, I presume unintentional, which has occurred in your Lordships' department, and which will require to be rectified, in your Lordships' judgment, I doubt not, as it does in mine.

Comptroller-General to Treasury, 1 August 1854.

The quarterly warrant from the Lords of the Treasury to the Comptroller-general of the Exchequer, authorising and requiring me to apply the sums charged upon the Consolidated Fund agreeably to Act of Parliament, and which warrant is issued under 57 Geo. 3, cap. 48, and is signed by your Lordships, has been invariably transmitted to the Comptroller till the April and July quarters of the present year; and the unbroken series of such documents form part of the records of the Exchequer. The two last accounts, however, for April and July have not yet been furnished to me.

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I feel confident that your Lordships will give orders to supply this omission without delay, and will direct that it shall not in future occur, but that this warrant shall be sent into the Exchequer as soon as it is completed by your Lordships.

If there be reason to apprehend any carelessness or irregularity in respect to the issues on account of charges on the Consolidated Fund, the regular preparation and transmission of this warrant, according to the usage and precedent of the Treasury and of the Exchequer, becomes more than ever important, I might add, indispensable.

I have, &c.
(signed) *Monteagle*,
Comptroller-General.

To the Lords of the Treasury,
&c. &c. &c.

(2.)

My Lord, Whitehall, Treasury Chambers, 3 August 1854.

Treasury to Comptroller-General, 3 August 1854.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint you, with reference to your letter of the 1st instant, on the subject of the quarterly warrants for the application of the sums charged on the Consolidated Fund, that their Lordships have at present under their consideration the various authorities sent to the Exchequer from this department; and before they reply to the suggestion conveyed in your letter, their Lordships request that you will explain more particularly the meaning of the words used therein, "And which warrant is issued under the 57 Geo. 3, c. 48, s. 6," and that you will inform them, whether, in stating that those warrants are issued under the Act referred to, you formed your opinion either in any degree or exclusively upon the following words of the warrant itself.

"By virtue of the Act 57 Geo. 3, c. 48."

I have, &c.
(signed) *C. E. Trevelyan.*

To the Right Hon. the Comptroller-general,
Her Majesty's Exchequer.

(3.)

My Lords, Exchequer, 7 August 1854.

Comptroller-General to Treasury, 7 August 1854.

I HAVE the honour to acknowledge your Lordships' letter of the 3d instant, in which, in reference to my communication of the 1st, requesting that your Lordships would be pleased to order the transmission of the quarterly Consolidated Fund Warrant to this office, agreeably to the unvaried usage of the Lords of the Treasury from the constitution of the Comptroller's office to the month of April 1854, your Lordships are pleased to request me to explain the meaning of the words used therein, namely, "which warrant is issued under the 57 Geo. 3, c. 48, s. 6;" and I have to reply, that these words are copied from the last quarterly Consolidated Fund Warrant, addressed to me by your Lordships on the 6th January last, and which is signed *Elcho* and *A. Harvey*, being a quorum of your Lordships' Board; and the Act is referred to by them as the authority under which they have acted, and have transmitted the warrant for my guidance and government.

Construction of legal authority.

How dependent on words of warrant.

Your Lordships are also pleased to inquire whether, in stating that these warrants are issued under the Acts referred to, I form my opinion either in any degree or exclusively on the words of the warrant itself.

When I perceive that these identical words are used by your Lordships, not only in the last but in preceding warrants, I do not so entirely disregard your Lordships' judgment in construing your own Act, in a question of routine and usage, as not to be swayed in opinion in some degree. The production of the document in question is that which I consider to be important; and provided it is furnished for my guidance according to the law and invariably antecedent usage, your Lordships' reference to the statute which, in your own judgment, requires this document to be made out and furnished, is of less importance.

Other authority than Consolidated Fund Act.

But your Lordships seem to desire to know whether I consider the obligation to furnish the Comptroller-general with this warrant rests exclusively on the 57th Geo. 3, c. 48. I by no means do so. Again I refer to your Lordships' authority, and to that of your predecessors in office. In some warrants the last Statute only is quoted, but that recites and refers to the 56 Geo. 3, c. 98; and the Statute of Mr. Pitt establishing the Consolidated Fund, 27 Geo. 3, c. 13, is frequently set forth, at times singly, but more frequently in conjunction with the latter Statutes. To all these I beg respectfully to refer your Lordships.

As your Lordships are aware, the earlier records of the Exchequer (indeed, all antecedent to the reconstruction of this office) are now deposited with the Master of the Rolls as records, and I have been unwilling to delay replying to your Lordships' distinct questions, in order to make a general search; but I can inform your Lordships, that up to the present year the duty and obligation on the part of the Treasury to furnish this warrant, and the necessity of the Exchequer to obtain it, has never been brought into question or doubt.

Obligation never before questioned.

This

This I can assure your Lordships, so far as 10 years' experience at the Treasury and in Downing-street, and nearly 15 years in this office, enable me to judge.

Precedents and names.

But, beyond this, the unvaried course of precedent is not only important in itself, but becomes still more so by the names of the parties subscribed to the document in question. In many cases the warrant is not signed by the junior members of the Board only, but by the Chancellor of the Exchequer himself. Thus, in January 1828, July 1829, and July 1830, I find the name of Henry Goulburn; in October 1832 that of Lord Althorp; in 1834 the names of Lord Rosslyn and Lord Ellenborough, acting under the Duke of Wellington; Sir Francis Baring, Sir Charles Wood, and Mr. Spring Rice; and, as representing the Treasury of Sir Robert Peel, in January 1835, I find the signature to this very warrant, referring to its statutable authority under the earlier Act, is that of *W. E. Gladstone*.

Mr. Brooksbank's authentication.

Nor are the accounts to which this warrant refers, and which I have heard have been described as complicated and absurd, leading to mystification and deception, left without further authentication. They in general bear the initials of the late Mr. Brooksbank, whose great abilities and long experience in the Revenue Room made him an authority referred to by Parliament itself in devising plans for the simplification of the public accounts of the whole empire.

Risk and inconvenience of discontinuance of warrant.

But I should be censurable if I were not, with all respect, to call your Lordships' attention to the risk and inconvenience which must arise if the ancient usage of the Treasury and the Exchequer in regard to these accounts is to be set aside. Not only would a serious impediment be thrown in the way of the execution of my direct functions of control under the Statute establishing this office, for which I am made by law responsible to both Houses of Parliament, but a difficulty, as it seems to me, insuperable would be created to my furnishing your Lordships with the quarterly certificate of deficiency, on the authority of which your Lordships' Warrant for making out Deficiency Bills rests. Your Lordships will please to notice the copy of the certificate, which I enclose, together with an extract from the Treasury Warrant which recites that certificate and is dependent upon it, as the certificate itself is dependent on the Consolidated Fund Account now in question.

(A.) Certificate of deficiency, Consolidated Fund, 5 July 1854.

A very able and experienced public servant, Mr. Dwight, is sent over to the department on each quarter-day from the Treasury; these very accounts, complete as far as relates to Great Britain, with the exception of a few final entries and the official signatures, having been sent over for examination the day before. It is on this document, after its verification, that my certificate of deficiency is made out. It is taken back by Mr. Dwight, and though signed and returned to me at a later period, it is the usage of Your Lordships' Board to antedate the document, so as to give it full authority from the day after the quarter-day. I do not see, therefore, how it would be possible to withhold this document now for the first time without throwing the financial business of the country into inextricable confusion.

(B.) Preamble of Treasury Warrant, (*see* Exchequer Bill Warrant Book, p. 31).

I have, &c.
(signed) *Monteagle*,
Comptroller-General.

The Lords of the Treasury,
&c. &c. &c.

(4.)

Treasury Chambers, 29 August 1854.

My Lord,

Treasury to Comptroller-General, 29 August 1854.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, with reference to your Lordship's letters of the 1st and 7th instant, respecting the non-transmission to your office of the usual quarterly Consolidated Fund Warrant, that my Lords, upon finding that you appeared rather to rely on the practice of this department, than upon any separate and direct evidence in support of the opinion that the quarterly warrants are required by law, have further examined the question whether there is any legal foundation for that opinion.

My Lords are unable to find that this is the case; and as they conceive that many just objections may be taken to the form of these warrants, and to the practice of issuing them, they are disposed to discontinue them altogether; but before coming to any decision on the subject, they are anxious to ascertain that no practical inconvenience would result from the discontinuance, and they have accordingly to request that if any observations occur to your Lordship over and above those with which you have already favoured them, you will be good enough to report the same to this Board.

I have, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-General
of the Exchequer.

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(5.)

My Lords, Headingley House, Leeds, 6th September 1854.

Comptroller-General to Treasury, 6 September 1854.

I HAVE the honour to acknowledge your Lordships' letter of the 29th ultimo, written in reply to my communications of the 1st and 7th August, on the subject of the Consolidated Fund Quarterly Warrants of Appropriation. These warrants I take leave to remind your Lordships have been withheld from the Exchequer in the two last quarters, contrary to the official practice which hitherto uniformly prevailed from the first establishment of my department.

In your Lordships' letter of the 29th you are pleased to state that in respect to the obligation of furnishing the warrants in question, I have appeared rather to rely on the practice of the Treasury than on any separate and direct evidence that these warrants are required by law. Your Lordships will do me the favour to remember that the inquiry which you made was not, that I should furnish you with the legal authority for any practice in my own department, but that I should put a legal construction on the usage by which your Lordships' office had, till the present year, been undeviatingly governed. Consequently the case before me was one wholly differing from what would have arisen had I been to justify or trace to a statutable origin any part of my own official conduct; but I most respectfully submit, that in the administration of the affairs of a Government like that under which it is our good fortune to live, the chain of unbroken usage is in itself a high authority, from which it is frequently unsafe, and still more frequently inconvenient, to depart, even assuming that which I shall endeavour to show to your Lordships would be wholly erroneous in the present case, namely, that these warrants are disconnected from my statutable duties. I apprehend it will, on consideration, appear, that those duties cannot be effectually or accurately performed, if in this instance the unvaried course of precedent is set aside and abandoned.

Authority of usage.

Power of Treasury to make regulations for the Exchequer.

As a general principle, it is undeniable that by the 4 Will. 4, c. 15, s. 6, your Lordships have a right from time to time, by such orders and regulations as you shall see necessary for the safety, economy, and advantage of the public service, to direct what books, accounts, and vouchers shall be kept at the Exchequer, and the forms of the warrants, specifications, and other instruments which, for the purpose of *a better carrying into effect the purposes of the Act*, it shall be necessary to use at the Treasury or the Exchequer. But two questions are here suggested: (1). Whether the discontinuance of these quarterly warrants comes within the clause, and has been made under any order or regulation of your Lordships; and (2). Whether, on the grounds I am about to state, such order, if regularly made, can be considered by your Lordships as consistent with the duty of carrying into effect the purposes of the Exchequer Act; or indeed, whether it is not wholly inconsistent with the performance of the most important duties with which, by that Act, I am distinctly entrusted.

Discontinuance of warrant not yet directed.

On the first of these points I am now relieved from the apprehension that any order or Minute can as yet have been made by your Lordships to direct or justify the late alteration of practice. Had it been determined by your Lordships that so important a change should take place, I felt confident that it would have been communicated to me for my instruction and government; and I am now rejoiced to learn by your assistant secretary's letter of the 29th ult., that the expediency of discontinuing these warrants is still under your Lordships' consideration, and that, consequently, no final decision can have been pronounced.

As to expediency of discontinuance.

In order to bring before your Lordships the second and more important branch of the subject, namely, the expediency of the change in question, I now proceed to reply to the inquiry with which I have been honoured, and I beg to state in all sincerity, that any opinion of mine which can conduce to the public service is, and shall ever be, at your Lordships' command. I am asked whether in my judgment any practical inconvenience will result from the discontinuance of the Quarterly Consolidated Fund Warrants beyond the inconveniences I have already stated in my letters of the 1st and 7th ult. On this subject your Lordships express your desire that I should report. I proceed to do so.

Will be impossible to furnish certificate of deficiency of Consolidated Fund

I need press upon your Lordships' attention the importance of the proceedings completed at the Treasury and at the Exchequer on the quarter-days fixed for financial purposes. Of these duties, one of the most pressing and essential, consists in the ascertainment of the surplus or the deficiency of the revenue and the balance in hand, compared with the demands constituting the charge on the Consolidated Fund. On this result depends, besides many other matters, the amount of Deficiency Bills which may from time to time be required. With respect to the balance in hand, the Exchequer Books and the returns made to me by the Bank and contained up to five o'clock on the quarter day, enable me to judge with entire accuracy. But with relation to the charge on which of course the balance to be provided for must depend, the first information on which I have afterwards to exercise my own official judgment, has been uniformly communicated to me by the Treasury, in the form of the Draft Warrant now under consideration. After careful comparison and examination, where a case of doubt arises the charge is ascertained, is compared with the sum standing to the Exchequer credit, and the Comptroller-general is required to sign a certificate for your Lordships' guidance, declaring the actual balance. It is on this certificate, as recited in your Lordships' subsequent warrant, that the authority for making out Deficiency Bills finally rests. The Quarterly Accounts communicated through the journals of the public, and almost invariably laid before Parliament, depend on the same documents as vouchers

for

for their correctness, nor does it appear to me practicable to withdraw any one of these documents without destroying the evidence on which that correctness can be proved. In reply, therefore, to your Lordships' question respecting the possible inconvenience that may be anticipated from the discontinuance of these Quarterly Warrants, I beg respectfully to report, that I anticipate not only an inconvenience in that event, but from the reasons already stated, an absolute impossibility of performing the functions I have described in the mode and with the check and accuracy hitherto conceived requisite by your Lordships' predecessors, and by the Treasury. In the absence of the vouchers I have described, I must respectfully disclaim any responsibility for the accuracy of the proceeding.

As to Consolidated Fund issues. Discontinuance still more objectionable.

But this objection to the proposed change will appear still stronger, and I conceive insurmountable, when I call your Lordships' attention to a further branch of the subject. Hitherto I have only dealt with the total amount charged on the Consolidated Fund, which charge creates a capacity for future issue, when the other statutable requisites shall be subsequently complied with, but which is not in itself, when taken alone, an absolute authority for directing any issue whatever. The mode of sanctioning and making issues remains now to be considered, more especially as connected with the Quarterly Warrant of Appropriation.

Course of practice under Exchequer Act.

This branch of my duty is regulated by s. 13 of the Exchequer Act. Issues for charges on the Consolidated Fund are directed by specific Treasury Warrants to the Comptroller-general, requiring him to accredit the several persons charged in making payments with the sums required, and it is prescribed that every such Treasury Warrant shall contain a reference to the Act or Acts of Parliament by which such sums are charged or appropriated; and the Comptroller, having first satisfied himself that the payments directed *are duly authorised by law*, shall grant such credits. Your Lordships will observe from these precise and stringent words, what are the duties with which I am intrusted, and which I am bound under my responsibility to Parliament carefully to fulfil. I am bound to see that there exists a legal authority to place a given charge on the Consolidated Fund. I am bound to see that such authority has been legally exercised. I am bound to see that all necessary have been completed in order to justify the payment, and then, but not till then, am I either bound or at liberty to direct the issue. Now the Quarterly Consolidated Fund Warrant is an essential document, which has hitherto been forwarded to the Comptroller-general by the Treasury, and which is absolutely required to enable him to fulfil adequately the duties so precisely defined in the statute under which he acts, and to withhold this document is to deprive him of the means to comply with the law. This warrant states the charges in detail, for the legality of which this office is made responsible to both Houses, and no such distinct and detailed information as the warrant contains is to be found in the other documents submitted to the Exchequer. If thus the warrant is indispensable to the correct discharge of a statutable duty, I submit to your Lordships whether it can be discontinued consistently with the law.

Quarterly warrant indispensable.

For its detailed information.

Strict production of authorities.

The course of payment made under these heads of charge is so strict, that where grants and patents are required to give effect to statutable powers, however notorious may be the position and functions of the grantee, the patent or other instrument is required to be produced and entered at the Exchequer, copies *in extenso* being in most cases preserved. Of this I cannot give your Lordships more conclusive proof than by referring to the annuities payable to members of the Royal Family, pensions for civil and military services, and the salaries of Judges of the land.

Warrant necessary to show the amount of charge, when balances remain unissued.

Another matter likewise merits consideration. Instances have occurred, and must occur occasionally, where a charge supposed to be rightly placed on the Consolidated Fund on the quarter day may be shown to have abated or fallen in by death, resignation, or other cause. In such case there remains a balance, which becomes a saving to the public, and which, if issued in error, is repayable to the Exchequer Account. As explanatory of this, I refer your Lordships to the arrangement which I am authorised by the Treasury to make in respect to this class of Irish payments. The Quarterly Consolidated Fund Warrant affords the means of following up such cases, and fulfilling in this respect the primary object of my functions; namely, the prevention of an appropriation of any sum unauthorised by law, or in excess beyond the sum legally authorised.

Discontinuance of warrant of serious inconvenience, and would render control impracticable.

On these grounds, as well as on those already stated, I have to report that the discontinuance of the warrant in question would not only be productive of serious inconvenience, but would render the execution of my statutable duties wholly impracticable.

In stating this opinion, in obedience to your Lordships' direction, I am bound in duty to add, that I am aware considerable improvements may be devised in respect to this branch of the public service. This subject may well deserve your Lordships' attention, more especially at a moment when, by the Act of the last Session, considerable alterations are about to be made in the payments both of Consolidated Fund and Supply Services. The utmost care and vigilance will, I am fully aware, be given by your Lordships to this important question, and I shall endeavour in like manner accurately to perform my official functions. But much must depend on the mode in which the alterations are first carried into effect.

Present system may be improved.

Exchequer control no clog, but constitutional and legal check.

In conclusion, I take the liberty of respectfully entreating your Lordships to believe, that whilst the control of this office shall not be, nor has it been, exercised as a clog or hindrance to the public service, it shall not be withheld where it is required to fulfil my functions in enforcing, as far as belongs to my functions, a strict adherence to the law. These restraints have at times appeared to superficial inquiries to be burthensome; but to the

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the larger knowledge and experience of your Lordships, it will be at once manifested that the whole of our Parliamentary system depends upon a system of constitutional checks. Constitutional jealousy, rather than unreserved confidence, forms its basis. It may not be impossible to devise simpler and more authoritative modes of dealing with our national finances; but that advantage may be dearly purchased if procured at the sacrifice of the responsibility to Parliament which is provided by the existing law.

I have, &c.
(signed) *Monteagle*,
Comptroller-General.

To the Lord Commissioners of the Treasury,
&c. &c. &c.

(6.)

Sir,

Exchequer, 9 October 1854.

Mr. Ottey to Mr. Dwight, 9 October 1854.

I AM directed by the Comptroller-general of the Exchequer to inform you, in reply to your verbal inquiry of the 6th, that if the Lords of the Treasury will be pleased to transmit to his Lordship the schedule of charges proposed to be put on the Consolidated Fund for the October quarter, with instructions that such schedule should be examined and compared with the books of this department, this shall be done with the utmost promptitude consistent with accuracy. It is, however, assumed that the documents so furnished, and being, in fact, the Consolidated Fund Warrant, never withheld from the Comptroller-general's office till the April and July quarters of the present year, shall be deposited as heretofore with the Comptroller-general as a warrant and a voucher for his proceedings, and also as furnishing him with the means indispensably necessary to examine and control the Exchequer issues according to law.

I am, &c.
(signed) *F. F. Ottey.*

H. Dwight, Esq., Treasury.

(7.)

MINUTE, 20 October 1854.

CONSOLIDATED FUND WARRANTS.

Comptroller-General's Minute, 20 October 1854.

THE Comptroller-general has already received and acted on the following Treasury authorities, having satisfied himself that they are duly authorised by law.

	Date of Warrant.	Amount Included. £.	s.	d.
3 per Cent. Reduced Annuities 3·5 per Cent. Annuities Long Annuities	11 Oct. 1854	5,822,341	9	4
Bank of England Annuity, 4 Geo. 4, c. 22	„	292,870	–	–
Commissioners National Debt Life and Terminable	„	425,101	5	3
Home Secret Service	„	2,500	–	–
Civil List (the amount for pensions for which the Warrants are not laid before the Exchequer being excluded from the Warrant)	„	96,250 3,867	– 10	– –
Annuities and pensions	„	76,764	13	5

The Warrant for *Salaries and Allowances*, bearing date the 11th October, and for the sum of 16,366*l.* 2*s.* 10*d.*, has also been received; but as it includes a sum of 375*l.* for the quarter's salary of E. Romilly, as Chairman of the Audit Board, and as the patent registered in this office and issued under and by virtue of the 46 Geo. 3, c. 141, grants a salary of 1,200*l.* per annum only to Mr. Romilly, and not a salary of 1,500*l.*, as stated in the warrant, the Comptroller-general, not being satisfied that the larger sum is "duly authorised "by law," directs that 75*l.* be deducted from the credit required to be granted. On receiving a reply to his letter to the Treasury on this subject, dated 18 October, the consideration of the question will be resumed.

With

With respect to the following warrants, not yet received, no difficulty is likely to arise beyond the arithmetical comparison to insure correctness in the sum applied for; and when this is done, they may be acted on:

Bank of England Annuity on Capital.
Interest on Exchequer Bonds.
Sinking Fund.
Greek Loan.
Public Works Advance.

In relation to the Warrants for Courts of Justice and Miscellaneous Charges:

As by the alteration of system introduced in the present quarter, under which the ordinary information accustomed to be furnished before the quarter day, by the production of the draft appropriate warrant, has not been supplied, and as no appropriation warrant for these Consolidated Fund charges, though uniformly given to the Comptroller's office since its establishment to the April quarter in the present year, since which it has been refused (*see* Correspondence), it will be necessary that these two latter warrants should be examined with the same care that has been usual on former occasions, and any case for which a precedent and authority does not appear being specially noticed, as well as the bearing of the Act of the last Session, 17 & 18 Vict. c. 94, being kept in view, as also the Appropriation Act of the last Session.

As it is of the utmost importance that no delay should take place that can be productive of public inconvenience, this previous examination is to be carried on with as much despatch as is consistent with accuracy, and when completed the whole warrant and its contents will be examined by the Comptroller-general, with the view that he should satisfy himself that the credit required is for services "duly authorised by law, 4 & 5 Will. 4, c. 15, s. 13."

(signed) *Monteagle*,
Comptroller-General.

(8.)

Treasury, 26 October 1854.

My Lord,

Treasury to Comptroller-General, 26 October 1854.

The Paymaster-general having reported to the Lords Commissioners of Her Majesty's Treasury, that two of the credits ordered by their Lordships yesterday, to place him in funds for the payments of this day were not granted to him until it was too late to make them available for such payments, I am commanded by their Lordships to request that you will inform them of the cause of the delay.

I am desired at the same time to point out to your Lordship that any delay in granting the credits ordered by this Board may be productive of very serious inconvenience to the public service, and that on this occasion the Paymaster-general has only been enabled to meet the drafts upon him by an unexpected payment to his cash account, which supplied the amount necessary to make good the deficiency of funds caused by the stoppage of the credits in question.

I am, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer,
&c. &c. &c.

(9.)

Exchequer, 27 October 1854.

My Lords,

Comptroller-General to Treasury, 27 October 1854.

I have the honour to acknowledge your Lordships' letter of yesterday's date, informing me that the Paymaster-general had reported that two of the credits ordered to place him in funds for the payments of the 26th were not granted by me till it was too late to make them available for such payments. Your Lordships are further pleased to request that I should inform you of the cause of the delay.

I proceed to do so.

The delay alluded to is the necessary result of the alteration of practice introduced by your Lordships with respect to the quarterly charges on the Consolidated Fund, and to the mode adopted for meeting those charges; more especially as connected with the withholding of the accustomed general Consolidated Fund Warrants from this office, to which, from its first establishment to the present year, those warrants had been invariably made known and communicated.

I beg respectfully to refer your Lordships to the correspondence noted in the margin, wherein I ventured to anticipate that the course you proposed to take (but which you informed me still remained under consideration) could hardly fail to create very serious public inconvenience.

1. Exchequer Letter, 1 August.
2. Treasury Letter, 3 August.
3. Exchequer Letter, 7 August.
4. Treasury Letter, 29 August.
5. Exchequer Letter, 6 Sept.

Under the former and accustomed system, an opportunity for consideration was secured to the Exchequer immediately before the quarter day (10th October), so as to afford the Comptroller-general the means of satisfying himself of the legality of the several warrants authorising issues from the Consolidated Fund, and thus enabling him subsequently to carry

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carry your Lordships' Warrant into effect with accuracy and despatch. This preliminary examination might have been completed on the 9th or 10th of October.

By the altered practice (for I am still in doubt whether it is even now deliberately and permanently adopted by your Lordships), I was left without any information whatever on this subject, till your Lordships' Warrant for payments for the Courts of Justice and Diplomatic Services and Pensions, bearing date 11th October 1854, were transmitted to me on the 25th instant, that is, 14 days after they purport to have received the sanction of your Lordships' Board.

(Signed) W. E. Gladstone. Alfred Hervey.

On receiving these documents, I lost not a moment in proceeding to a diligent and careful examination of the two warrants in question; I felt that despatch was more requisite, because the services for which a legal provision of funds was thus sought on the 26th, had been due on the 10th, and the high Judicial and Diplomatic Officers interested must either have been left unpaid, or must have been paid out of sums not authorised by law to be so appropriated.

Certain sums were included in each of these warrants which demanded close examination. This examination was proceeded on without delay. The issue was directed by your Lordships to be made on the 26th, leaving me only 24 hours to execute a duty, for which, under the former system, 14 days would have been allowed. Yet on the 26th, the very day fixed by your Lordships for these payments, at the hour of 2 h. 13 m., my warrant was transmitted to the Bank of England, and the Paymaster-general was simultaneously advised that at 2 h. 45 m. he would be put in funds to enable him to pay these services.

I trust I have now shown to your Lordships that the delay in question, such as it was, is solely attributable to the alteration of practice made on the former usage, and to the delay of the warrant at the Treasury for no less than 14 days after the date it bears.

I am quite aware of the necessity of transmitting these warrants without delay, and such has been the practice of my department. No necessity for expedition, more especially where the transmission of warrants is so long delayed, would justify me in acting with incautious precipitation, and in omitting the strict performance of my statutable duty, by satisfying myself that the payment required has been duly authorised by law. This is my primary function, to which all others must be made subservient (4 Will. 4, c. 15, s. 13).

I do not quite apprehend the meaning of your Lordships' closing paragraph, in which you refer to unexpected payments to the Cash Account of the Paymaster-general, as having been employed to meet purposes contemplated by these warrants. If such sums were applied to pay the salaries of the Courts of Justice and the Diplomatic Services before the Exchequer Warrants determining the legality of such payments had been obtained, I can hardly reconcile such a course with the provisions of the 4 Will. 4, c. 15.

I have, &c.
(signed) *Monteagle*,
Comptroller-General.

To the Lords of the Treasury,
&c. &c. &c.

(10.)

Treasury to Comptroller-General, 2 November 1854.

My Lord, Treasury, 2 November 1854.

With reference to the explanation contained in your letter of the 27th ultimo, in which you state, "that the delay in granting the credits to the Paymaster-general on the 26th "October," to which the Lords Commissioners of Her Majesty's Treasury desire me to call your attention in my letter of that day's date, "is the necessary result of the alteration of "practice introduced by their Lordships with respect to the quarterly charges on the Con- "solidated Fund, and to the mode adopted for meeting those charges, more especially as "connected with the withholding of the accustomed general Consolidated Fund Warrants "from your office," I am commanded by their Lordships to acquaint you that it is evident from this explanation that you are under the erroneous impression that the issue of the Quarterly Warrant to which you allude has hitherto preceded the issue of the credits; whereas that document, although bearing date on the first day of the quarter, has never reached you till about six weeks after that date, and long after the actual issue of the credits for the charges included in the Quarterly Warrants. My Lords are therefore totally at a loss to understand how the issue of the credits referred to in their letter of the 26th ultimo can have been delayed by the non-transmission to you of a document which, according to all previous practice, you would not have been in possession of at the date when the credits were ordered.

I am desired to state that, even if the facts were as you appear to imagine, their Lordships cannot admit the propriety of furnishing you with duplicate authorities for the charges on the Consolidated Fund, for the purpose of expediting the issue of credits when required for the public service; and that they are of opinion that the examination of the charges included in their warrants should be conducted solely upon the detailed schedules annexed to the authorities by which the actual credits are sanctioned.

I am commanded further to acquaint you that their Lordships have no desire to limit the time which may be required for the due examination of the warrants which you may receive from them, directing the issue of credits; but that they consider it necessary, for the regular conduct of the public service, that in all cases in which you cannot comply with the requisitions sent to you to grant the credits, at the time stated in their letters of direction, you

should

should advise them of the necessity for delay, in order that they may make the necessary arrangements to obviate the inconvenience which the postponement of the credits may otherwise occasion.

I am, &c.
(signed) *C. E. Trevelyan.*

(11.)

My Lords, Exchequer, 3 November 1854.

Comptroller-General to Treasury.

I REGRET much that your Lordships' letter of the 2d November compels me to occupy any portion of your Lordships' time with a reply, but your Lordships will find that you are under an entire misapprehension in respect to the former course of business between the Treasury and Exchequer.

Your Lordships deny that the issue of the Treasury Quarterly Warrant of Appropriation has heretofore preceded the issue of the credits, and you add, that although that warrant bears date the first of the quarter, it never reached me till about six weeks after that date, and long after the issue of the credits; and your Lordships conclude by stating that which would be undeniable, had your Lordships reasoned on the exact facts of the case, "that "you are at a loss to understand how the issue of the credits in question could have been "delayed by the non-transmission to me of a document of which, according to all previous "practice, I should not have been in possession at the date when the credits were "ordered."

Your Lordships have entirely lost sight of what the antecedent practice has been, as reported by me to your Lordships on the 7th August last, in which letter your Lordships will find the following statement:

"A very able and experienced public servant, Mr. Dwight, is sent over to this depart-"ment *on each quarter-day* from the Treasury; these very accounts complete, as far as "relates to Great Britain, with the exception of a few final entries and the official signa-"tures, *having been sent over for examination the day before.* It is on this document that my "certificates of deficiency is made out. It is taken back by Mr. Dwight, and though signed "and returned to me at a later period, it is your Lordships' usage to antedate the docu-"ment, so as to give it full force and validity from the quarter-day."

Your Lordships will thus see that, *even before the quarter-day*, it has been the usage to inform the Exchequer of the particulars of the charge on the Consolidated Fund for which credits would after be demanded, this interval of time being abundantly sufficient to consider here any case on which it was possible that the Comptroller-general should not be satisfied of the legality of the issue.

With respect to the warrants in question, in which your Lordships, I am sorry to observe, seem to consider there was a delay, I must again inform your Lordships that no time whatever was lost in considering and deciding on the legality of the issue; that the issue was directed at 13 minutes after two, on the *very day* prescribed in your Lordships' letter of direction, and that the Paymaster was *simultaneously* advised that at 45 minutes after two, on that very day, he would be put in funds at the Bank to the amount of 35,994*l.* 12*s.* 2*d.*, being the sum included in the warrants in question.

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

The Lords of the Treasury,
&c. &c. &c.

(12.)

My Lord, Treasury, 19 December 1854.

Treasury to Comptroller-General, 19 December 1854.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit for your information a copy of their Lordships' Minute of the 19th instant, on the subject of the discontinuance of the Quarterly Warrant referred to in your letters of the 1st and 7th August and 6th September 1854.

I am, &c.
(signed) *James Wilson.*

The Comptroller-General
of Her Majesty's Exchequer.

(13.)

Read 19th December 1854.

Treasury Minute, 19 December 1854.

MY Lords have under consideration a warrant which it has been the practice to send to the Comptroller-general of the Exchequer every quarter, purporting to convey to him their Lordships' authority to appropriate, issue, and apply the quarterly income of the Consolidated Fund. An account prepared in great detail is annexed to this warrant; it contains on one side the *net income* actually paid into the Exchequer during the past quarter, and, on the other the issues made out of the net income during the same quarter for

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supply services; it contains, moreover, the charge of the Consolidated Fund for the quarter, consisting partly of actual payments made during the quarter out of the growing produce of the Consolidated Fund, and partly of payments to be made in the following quarter for services charged on the Consolidated Fund on the preceding quarter-day.

My Lords have also before them the correspondence which has passed between the Comptroller-general of the Exchequer and this Board in reference to the proposed discontinuance of *these documents.*

As the Comptroller-general of the Exchequer appears to apprehend that if the warrant and account are discontinued, he will be deprived of authorities and information which he considers necessary for the performance of his duties, My Lords proceed to describe what they apprehend to be the true nature of these documents.

Although the warrant professes to authorise the issues out of the Consolidated Fund, *no issue whatever is made under the authority of that document;* and nearly the whole of the issues to which it relates are made long before the warrant (which is generally pre-dated about six weeks) reaches the Exchequer.

With respect to *the account*, which is annexed to the warrant, it is wholly made up from returns *which are in the* possession of the Exchequer; the receipts are taken from accounts furnished to this Board by the Exchequer from its own records; and as regards the payments separate warrants and directions, in the form prescribed by their Lordships' Minute of the 26th September 1834, founded on the Exchequer Regulation Act, with detailed Schedules to regulate the issues, are transmitted to the Comptroller-general of the Exchequer, before *any issue takes place*; while, in fact, this quarterly account is *principally* a transcript of these schedules. It is clear, therefore, that the authorities and detailed schedules required by the Comptroller-general to enable him to execute his duties, *are complete independently* of the quarterly warrant and account in question.

(4 Will. 4, c. 15.)

The Comptroller-general having intimated to this Board that this Quarterly Warrant was prescribed by statute, my Lords called upon him to refer them to the Act of Parliament which required them to furnish him with that document. In his reply, dated the 7th August 1854 (annexed to this Minute), he refers them to the Acts 27 Geo. 3, c. 13; 56 Geo. 3, c. 98, and 57 Geo. 3, c. 48.

My Lords have caused the provisions of these Acts to be carefully examined, and they are advised that they do not contain any reference to the warrant in question. Under these circumstances, my Lords considered it right, before coming to a determination to discontinue the transmission of this Quarterly Warrant and account to the Exchequer, to request the Comptroller-general to point out to them any practical inconvenience which could arise from the discontinuance of these documents. My Lords have before them the Comptroller-general's reply, dated 6th September 1854, in which he states that the *certificate of deficiency bills* required is founded on the quarterly warrant, and that the authority for making out deficiency bills rests on such certificate. It appears to my Lords that the Comptroller-general is under some misapprehension as to the authority for making out deficiency bills, and that he has overlooked the provisions of the Act 57 Geo. 3, c. 48, s. 6, which prescribes in clear and precise terms the course to be followed by the Treasury and the Exchequer with reference to these bills. The Act makes no mention whatever of any certificate being required from the Exchequer, and my Lords are of opinion that such certificate may safely be dispensed *with in future.*

The Comptroller-general further states, that he is bound to see that there exists a legal authority to place a given charge on the Consolidated Fund, and that such authority has been legally exercised. As no issue out of the Consolidated Fund can be made until the Comptroller-general has been furnished with the *warrants and authorities*, and prescribed by the Act 4 Will. 4, c. 15, these documents afford him the means of satisfying himself that every issue directed by their Lordships is in strict conformity with the Act of Parliament, under the authority of which they may have ordered it, before he issues his warrant to the Bank of England to grant the credit out of which it is to be paid.

The Comptroller-general states, moreover, that he cannot exercise the functions with which he is charged, unless the Quarterly Warrant in question is supplied to him; *but he fails in pointing out any instance in which his proper functions* are interfered with; nor does he appear to have due regard to the fact, that the whole of the issues for supply services, and by far the largest portion of those for Consolidated Fund Services, have *invariably been made by him before the warrant to which he refers has ever reached him.*

My Lords have only to add, that if the Comptroller general is of opinion that the special warrants required by the Act 4 Will. 4, c. 15, by which they authorise him to grant Exchequer credits *can be improved*, they are ready to take into consideration any suggestions for amending them which he may bring under their notice; but they cannot sanction the continuance of the *objectionable practice* of granting *pre-dated*, and, as it appears to them, fictitious authorities for issues of public money, which have been previously authorised and made in strict conformity with the regulations and forms prescribed by law.

Transmit copy of this Minute to the Comptroller-general of the Exchequer for his information.

(signed) *J. Wilson.*

(14.)

My Lords, Exchequer, 30 December 1854.

I HAVE the honour to acknowledge your Lordships' letter of the 19th instant respecting the discontinuance of the Quarterly Consolidated Fund Warrant of appropriation and issue, referred to in my letters of the 1st and 7th August and the 6th September. I have also to acknowledge the copy of a Treasury Minute of the 19th instant on the same subject. Comptroller-General to Treasury, 30 December 1854.

I should have confined my reply exclusively to the laying before your Lordships some suggestions for the improvement and simplification of the present form of special warrants of issue, which your Lordships express your readiness to take into consideration, but that there appear some important misapprehensions of fact contained in your Lordships' Minute. Misapprehensions of fact in Treasury Minute.

These may have arisen from the imperfect manner in which I expressed myself, or partly from the weight and importance of your Lordships' other functions. But it becomes absolutely necessary to remove them, with a view to the just comprehension of the subject of this correspondence. To this duty I shall, in the first instance, apply myself.

Your Lordships do me the honour to recite the purport of my former correspondence with your Board, but this is done with some omissions and some mistakes, which I am bound respectfully to notice. As to former correspondence.

In bringing under your Lordships' consideration the withdrawal and withholding in April 1854 of the Quarterly Warrant, I originally dealt with the change as a possible result of inadvertence, no official announcement having been given to me by your Lordships of any such change as made, or even contemplated; nor do I even now collect from the words of your Lordships' Minute of the 19th December, in which, for the first time, you communicate to me your opinion, that the official authority of your Lordships was ever given to this change till the issue of your Lordships' Minute of the 19th December, though the warrants had been withheld from the April quarter preceding. No order or authority is stated to have been given by your Lordships antecedently; none, at least, was communicated to me, which, had the change been made under the 4 Will. 4, c. 15, s. 6, must have been the case. It is on that section that I consider your Lordships' power on the subject to rest. Warrant discontinued without Treasury authority

Your Lordships seem to consider, that in referring to the 56 & 57 Geo. 3, as well as to Mr. Pitt's Act of the 27 Geo. 3, c. 13, as the authority for the issue of the Treasury Quarterly Warrant, I expressed an opinion that it was exclusively on these statutes that the administration of this department in this respect depended. This was by no means the case. Your Lordships required from me the authority upon which these Treasury Warrants were issued, and I referred you to these statutes, as cited by the Treasury, and by your Lordships' present Board, as their authority. I referred you to the Treasury practice since the first passing of the 57 Geo. 3; but at the same time, in my letter of the 6th September, I distinctly brought before your Lordships the unquestionable fact, that the usages which had existed in the ancient Exchequer were maintained and preserved by law in the Comptroller-general's Office, and were obligatory on me. On the subject of the authority of usage in this office, as continued and confirmed by the Statute 4 Will. 4, c. 15, s. 3, I take the liberty most respectfully of referring your Lordships to my letter of the 31st October, to which I have not as yet been favoured with any reply. Warrant required not only by law, but by usage.

In your Lordships' Minute of the 19th instant, you are pleased to refer, not only to the warrant setting forth the charge on the Consolidated Fund, but to subsidiary accounts furnished heretofore with that warrant, and formed for the most part on transcript of documents in the possession of the Exchequer itself. If your Lordships will condescend to refer to the whole of my past correspondence, you will find that the question of these accounts has never been adverted to by me, nor even by your Lordships; and that it is now introduced for the first time in the Minute of the 19th of December, though, as I humbly submit, it is wholly irrelevant to the real question at issue. I have respectfully entreated your Lordships to continue to furnish me with the information which I have not, which your Lordships alone can give, and which has been hitherto invariably given to my predecessors. I attach no importance to a transcript of that which I myself possess, but to that which I can only obtain from your Lordships, and without which, I beg to repeat it, the accustomed duties of this office, as regulated by statute and by usage, cannot be effectually or accurately performed. Reference to accounts annexed to Warrant already possessed by Exchequer wholly irrelevant.

I have looked back to the usage from the time of Lord Grenville to the present. I find that invariably the charge on the Consolidated Fund has been compared in this office with the available funds of the Exchequer; that the balance has been invariably struck in this department; that the Exchequer certificate has been as invariably issued to the Treasury, and has been uniformly recited by the Treasury in its Deficiency Bills Quarterly Warrant. More conclusive evidence of custom cannot well be shown. It is supported by still more ancient usage, so far as regards striking and certifying the balance at the Exchequer, but was continued on the passing of the 57 Geo. 3, c. 48, the Act under which the Deficiency Bills are made out; and it has been ever since continued and sanctioned, both by the separate and the joint acts of the Treasury and the Exchequer, during 37 successive years. The change now directed by your Lordships sweeps away the whole of this antecedent usage, and renders the performance of duties which I consider of the first importance utterly impossible. Former usage at Exchequer, swept away, and Comptroller's duties rendered impossible.

Principal Exchequer control set aside.

But I beg leave to call your Lordships' attention likewise to the principle which is at issue, as well as to the usage and authority which it is proposed to set aside. Unless I am put in possession by your Lordships of what is the charge on the Consolidated Fund before making out the deficiency bills, I am unable to exercise any judgment whatever with respect to the legality of the deficiency bills warrant brought before me. I can only obey, blindly, or absolutely resist, without having the means afforded me which have been afforded to my predecessors, enabling me to judge whether the warrant is justified by law. The precautionary control which has hitherto been invariably exercised by the Exchequer, and adopted and approved of by the Treasury, is now for the first time set aside in a manner subversive of an usage unbroken and unquestioned, and continued by express statute; and this change is made in a matter of fundamental importance to the administration of the finances of the Empire. It is made also without even the suggestion, that any inconvenience has ever resulted from an adherence to the ancient practice.

Check of amount of deficiency bill abolished against all proceedings.

By the change the public are left without any security whatever, with respect to the amount of deficiency bills issued beyond the mere declaration of one executive department of the Government, whilst under the practice sanctioned by the authority of Lord Grenville, and that of his successors, and by the practice and acquiescence of Lord Liverpool, Mr. Canning, Lord Ripon, the Duke of Wellington, Sir Robert Peel, Lord Melbourne, Lord John Russell, the Earl of Derby, and the Earl of Aberdeen, successively first Lords of the Treasury, the declaration of the Treasury was checked and controlled by the constitutional officer, appointed specially to guard against the possibility of abuse or negligence.

Knowledge of charge requisite for Exchequer to grant certificate of deficiency.

I have thus shown to your Lordships, that by unvaried usage a knowledge of the charge on the Consolidated Fund has been hitherto communicated to this department, and that it is required in order to enable me to grant the certificate, which by an usage equally invariable has hitherto been furnished, and which has likewise been recited in, and made the ground-work and foundation of, the Treasury Warrants for making out deficiency bills.

When no deficiency, Exchequer uncertain of charge.

But the practice is equally essential in cases where no deficiency bills are required, as in such case if the information I require is withheld, the real and *bonâ fide* charge on the Consolidated Fund must be left wholly uncertain and unknown to the Exchequer, until the quarter has expired, and the issues out of sums charged at the quarter or payable out of growing produce, may be left confused and indeterminate, and may be continued without check.

As to issues being made before warrant reaches Exchequer.

In respect to my farther argument, which went to prove the necessity for the production of the warrant setting forth in detail the quarterly charges on the Consolidated Fund, and submitting to your Lordships that its suppression deprived me of the means of satisfying myself that the demands of the Treasury for credits were made according to law, and ought therefore to be complied with by me, your Lordships are pleased to observe that this cannot be the case, "as the issues in question are made long before the warrant reached the Ex-"chequer." I fear I must have failed to impress on the minds of your Lordships the actual facts of the case, or that those facts must have escaped your attention or memory, or the mistake into which you have been led would have been avoided. The real course of practice was explained in my letter of the 7th August and 3d November 1854. In both these letters I informed your Lordships that this warrant, though not as yet signed or closed, was invariably communicated to the Exchequer by a most able and trustworthy officer of the Treasury on or before quarter-day, and was examined and compared, and that on this comparison, and founded upon it, the declaration of balance was made by the Comptroller-general, and was adopted in the Treasury Warrant. So far is it, therefore, from being an accurate statement that "the issues to which the warrant relates were made long before the warrant "reached the Exchequer," the fact is, that under the accustomed usage the warrant was produced, was compared, and examined before the day on which one single issue was made. It is, therefore, an entire misapprehension of the facts of the case to imagine that "the "larger portion of the issues for Consolidated Fund Services have been invariably made "before the warrant in question reached the Exchequer." On the question of the usage of your Lordships' department, practised not only by former but by the present Board of Treasury, of taking, signing, completing and pre-dating the warrants, I shall have occasion to observe hereafter.

Not so; invariably communicated previously, and compared.

Comptroller prevented from executing his duties.

The Minute of the 19th of December states that the Comptroller-general has "failed to "show how he is prevented from executing his duties by reason of the absence of the "quarterly warrants." I humbly beg your Lordships' indulgence while I recal your attention to the facts of the case. On the 6th of September I respectfully informed your Lordships that "without this warrant it would be impossible for me to strike the quarter's "balance, nor could the Treasury Warrant for Deficiency Bills issue, and that the result "would be the impossibility of performing my functions with the accuracy hitherto con-"sidered requisite." I added, that "I must therefore decline all future responsibility for "the correctness of the proceeding." Such was my anticipation, and it has been borne out by the results. Deprived of the possibility of performing my accustomed duty, I was compelled to withhold the ordinary Exchequer certificate; I was compelled to send in my quarterly account to the officer of the Treasury, the National Debt Office, and the Bank of England, in an incomplete state, adding an explanatory note that this was done in consequence of the want of the information hitherto invariably furnished for my guidance. The same explanation must likewise appear appended to the annual account to be furnished to both Houses of Parliament. I hope this statement may, on consideration, satisfy your Lordships that it can no longer be asserted "that the Comptroller-general has failed to show how "he is prevented from executing his functions by reason of the absence of the quarterly

"warrant,"

"warrant," which had invariably been "furnished to his predecessors for their government." But further, the change precluded your Lordships from performing your duties in the accustomed manner. Being necessarily deprived of the Exchequer certificate of balance, it became indispensable that you should altogether vary your form of warrant for making out Deficiency Bills; and for the first time since the enactment of the 57 Geo. 3, the amount of Deficiency Bills has been determined by the unchecked *arbitrium* of the Treasury, in place of being the result of an account compared and checked by an independent Parliamentary officer.

And Treasury also.

The Minute of the 19th December seems to assume that the quarterly warrants contain nothing but what is included in the special warrants of issue subsequently transmitted, and at a time sufficiently early to enable the Comptroller-general to examine and to decide on the legality of the payments for which credits are required. The fact is, however, otherwise. Cases will be found in which sums are given in detail in the quarterly warrant, enabling their respective legality to be examined, which are given in gross in the issuing warrant. The issuing warrant also is frequently accompanied by your Lordships' direction for its immediate execution, by the issue of the credits demanded, so that a practical examination of its details becomes difficult, if not impossible. It is, therefore, inaccurate to suppose that, either in respect to its substance or to the time allowed for the performance of the duty of examination, the special issuing warrant, in its present form and mode of issue, can be accepted as a substitute for the quarterly warrant of appropriation and issue now withheld.

Quarterly Warrant different from special issuing Warrant.

In reference to the past practice of the Treasury in furnishing the Comptroller-general with the Quarterly Warrant produced on the quarter-day, though unsigned, and therefore incomplete, and, after the examination of its contents, taking it back to the Treasury, to be afterwards returned and deposited duly executed, your Lordships are pleased to inform me "that you cannot sanction the issue of *pre-dated and fictitious Warrants*." This communication not only seems to contain a severe condemnation of the practice of all Boards of Treasury, from the passing of the Deficiency Bills Act in 1817 to the month of April 1854, but it also may render some distinct orders from your Lordships, or some alteration of practice in other questions, absolutely necessary. It may perhaps be doubtful whether, in strict law, a document produced under the authority of the Government, and acted on by themselves, and as a guidance to others, and afterwards taken back into the possession of the proper department, and returned at a future time signed and dated as of a prior date, does not take effect from that day, by relation whether the signature would not be taken to have been received *nunc pro tunc*, and, where no deceit or fraud was or could be suspected, whether such a document could be fairly described as "fictitious." As one long concerned in the management of public affairs in this country, I am convinced that your Lordships will feel that I only perform my duty in respectfully protesting against a suggestion that casts a deliberate censure on all who have been, during a considerable part of the last four reigns, engaged in the service of the Crown; if this practice is to be condemned and set aside as "fictitious," the principle must be carried, I apprehend, much further; and various public instruments which come before me, bearing a date differing from that of their actual execution, stated to be executed at places where the parties executing them were not, and claiming authorities they do not legally possess, must likewise be treated as "fictitious," and ought to be set aside as irregular by me. I suggest to your Lordships the expediency of inquiring whether, if these quarterly warrants are to be condemned as "fictitious," it will be justifiable to continue the present mode of proceeding for the Civil List of Her Majesty, or the payment of the dividends.

Objection to "pre-dated and fictitious" Warrants.

Without your Lordships' special instruction, I should be most unwilling to apply a principle that would produce much confusion in the public service; but I cannot but apprehend that such a course would be a necessary logical consequence of the condemnation affixed by your Lordships' high authority to the issue of the quarterly warrants from 1817 to April 1854, which is now designated as "fictitious" in your Lordships' Minute.

I have now (and I fear at very considerable length) brought under your Lordships' notice the points on which I am compelled most respectfully to differ from the high authority of your Lordships' judgment. I do so because, acting under a special Parliamentary responsibility, I feel it but due to myself, and to the functions with which I am entrusted, to record the grounds of my opinion. Solicitous in all cases, where it can rightfully be done, to forward the public service, by giving effect to your Lordships' wishes, and to attend to all lawful exercise of authority, I feel it equally necessary to free myself from all responsibility for deviation from established usage, an adherence to which seems to me required by law and by our Parliamentary constitution.

Comptroller's vindication of difference with Treasury.

I have the honour of enclosing, on a separate paper, the suggestions for improving and simplifying the present system, which your Lordships express your readiness to take into consideration.

Suggestions for improving system.

I have, &c.
(signed) *Monteagle.*

The Lords Commissioners of
Her Majesty's Treasury.

Appendix, No. 9.

(15.)

Issue of Charges on the Consolidated Fund.

Memorandum for Consideration.

Memorandum of Comptroller-general, 1 January 1855, enclosed in letter of 30 December 1854.

In my letter to the Treasury, 6th September 1854, whilst reporting that the discontinuance of the Quarterly Consolidated Fund Warrant would not only be productive of serious inconvenience, but that it would render the execution of the statutable duties of the Comptroller-general wholly impossible, I added, that I was aware that considerable improvements might be devised in respect to this branch of the public service.

In the Treasury Minute of the 19th December 1854, it is stated that "if the Comptroller-"General is of opinion that the special ('issuing') warrants required by the Act of 4 Will. 4, "c. 15, by which they authorise him to grant Exchequer credits, can be improved, they "are ready to take into consideration any suggestion for amending them which he may bring "under their notice."

A more simple and effective process suggested.

I now proceed to lay before the Treasury the suggestions which the experience of 24 years, 14 of which have been spent in this office, enable me to make, and which I am convinced may not only bring to a close the controversy which has for a considerable time existed between the two departments, but which will secure to each the most effective means for performing its official duty, and will, at the same time, greatly simplify, abridge, and facilitate the mode of discharging the several functions, without the loss of any existing check or protection against error or mistake.

For English payments only.

The observations I am about to make are, in the first instance, applicable to English payments only, without reference either to Irish charges on the Consolidated Fund, or the charges transferred by the Act of last Session from Scotch gross revenue to the Consolidated Fund. These questions will be separately dealt with hereafter.

Former system operose and complicated.

The system which prevailed to April 1854, from the passing of the 57 Geo. 3, c. 48, whilst by the issue of the Quarterly Consolidated Fund Warrant it provided adequately and efficiently for certain public *objects of the utmost importance*, did so in a most complicated and operose manner. To explain my views, I refer willingly to the Treasury Minute of the 19th December 1854. It is there correctly stated that accounts have been hitherto stated and transcribed, accompanying the Consolidated Fund Warrant, and deposited with the Exchequer, showing on one side the net income paid into the Exchequer during the past quarter, and on the other the issues made out of the net income during the same quarter for supply services, and containing, moreover, the charge of the Consolidated Fund for the same quarter, consisting partly of actual payments already made out of the growing produce of the Consolidated Fund, and partly of payments to be made in the following quarter for services charged on the Consolidated Fund on the preceding quarter-day. The Minute states that the account is made up from Returns which are in the possession of the Exchequer, the receipts being taken from accounts furnished by the Exchequer to the Treasury.

Duplication of official labour unnecessary.

It is quite clear that a duplication of official labour and record, by which documents already in the possession of the Exchequer are again required to be transcribed and transmitted from the Treasury, is an unnecessary waste of time and of labour, and may, without any inconvenience to the public, be discontinued. Therefore, nothing should continue to be given or required by the Treasury or Exchequer in this branch of the public service, but that which the latter has not within its own records which is necessary for the discharge of its proper functions.

The Minute also states that the Quarterly Warrant is *principally* a transcript of the special schedules annexed to the Issuing Warrants. If these documents were entirely and not *principally* identical, it is evident that, in this instance also business was required to be done twice over with considerable increased official and clerical labour, and without any corresponding benefit to the public service.

Objects to be attained; discontinuance of unnecessary labour.

Assuming, therefore, as the objects to be attained, 1st, that the Treasury should be freed from the responsibility and labour of furnishing to the Exchequer that which the Exchequer itself possesses and can refer to; and, secondly, that a duplication of the same work should be discontinued, where they are not required by some clear necessity; I shall proceed to show how these objects can be attained without the sacrifice of any constitutional check, and with a security for greater despatch and accuracy in both departments.

Reference to practice in Irish and Scotch charges.

I must here be permitted to refer to the system for many years practised in respect to the Consolidated Fund charges in Ireland, and lately introduced with great advantage in relation to the Scotch payments formerly made out of gross revenue, and now placed on the Consolidated Fund. I am strengthened in my judgment when I find that the system I am disposed to recommend to the Treasury rests on two experiments which have been tried, and which have succeeded.

Similar Warrant recommended for English charges.

I should propose that all the charges on the *Consolidated Fund* which are contained in the quarterly issuing warrant, as affecting the issues in the ensuing quarter, should be made up at the Treasury some few days before the quarter day; that, as far as possible, they should be in printed schedules, the variations only from time to time, whether by omission of some charges or the addition of others, being inserted in MS.; that these schedules should be appended to a Treasury warrant for the appropriation and issue, according to Treasury directions hereafter to be given, of the total amount of these quarterly charges

on

on the Consolidated Fund in the form now adopted in the warrants for the Irish charges. The warrant should be transmitted to the Exchequer two or three days before the quarter-day, or about the same period hitherto allowed for the comparison of the accounts brought over from the Treasury by Mr. Dwight. This warrant, constituting practically the necessary information respecting the charge on the Consolidated Fund, after being examined at the Exchequer, would enable the Comptroller-general to strike the balance between the amount of the charge and of the income, fixing the amount of deficiency bills required for the ensuing quarter, of which the usual certificate should be given. Appendix, No 9.

By this arrangement time would be afforded to the Exchequer to examine these schedules; and this being done by anticipation before the quarter-day, no delay could possibly arise in the immediate preparation of credits when the Treasury letters of direction were received. The *double* labour of preparing the quarterly appropriation warrant would be altogether avoided; the accounts, duplicates of those in the possession of the Exchequer, would be dispensed with altogether; the clerical labour of the Treasury would, I should think, be diminished by 9-10ths of its present amount; a check effective for all purposes would be maintained, and this without the abandonment of any one practice required for the public service, and without doing more than applying to the English payments that which has long been practised in relation to Ireland, and has been more recently acted on in Scotland. Satisfactory results.

If the principles here submitted are adopted, the mode of carrying them into effect could be arranged in a few hours; and I have no hesitation in stating that a far greater security would be obtained against abuse, against delay, and against controversy, than by any other plan that I have as yet had occasion to consider.

I need not add, that if these recommendations were adopted, I should most willingly lend my best assistance in showing how they could be carried into immediate effect.

(signed) *Monteagle*,
Comptroller-General.

Exchequer, 1 January 1855.

(16.)

My Lord, Treasury Chambers, 3 March 1855.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith, for your Lordships' information, the copy of a Minute of their Lordships on the subject of their discontinuance of a duplicate Treasury Warrant for the issue of money from the Consolidated Fund. Treasury to Comptroller-General, 3 March 1855.

I am, &c.
(signed) *James Wilson.*

The Right Honourable
The Comptroller-General of the Exchequer,
&c. &c. &c.

(17.)

Read 27th February 1855.

MY Lords have under consideration a letter from the Comptroller-general of the Exchequer, dated 30 December 1854, on the subject of the Minute of this Board, dated the 19th December 1854, directing the discontinuance of a duplicate Treasury Warrant for the issue of money from the Consolidated Fund. Treasury Minute, 27 February 1855.

Although my Lords are unwilling to prolong a correspondence which they had hoped that their Minute of the 19th December last would have closed, they cannot refrain from pointing out to the Comptroller-general the misapprehension under which he appears to be labouring with respect to the control which he is required to exercise over the acts of the Board.

It appears that the Comptroller-general, not satisfied with exercising that control over the issue of credits which the Act 4 Will. 4, c. 15, assigns to him, maintains that he is a constitutional officer appointed specially to guard against the possibility of "abuse or negligence" on the part of this Board; and that even in a matter of such simple routine as the preparation of an account by which the excess of the charge of the Consolidated Fund beyond the quarterly income is ascertained, the amount of such excess ought not to be determined by the unchecked arbitration of this Board, but that it should be the result of an account compared and checked by an independent Parliamentary officer; and moreover, that not only is the duty of making out and issuing Deficiency Bills vested in him, but that his certificate is the groundwork and foundation of the Treasury authority itself, under which such bills are prepared.

These opinions are distinctly expressed in the following passages of the Comptroller-general's letter of the 30th December 1854. In that letter he states, in reference to the discontinuance of the duplicate warrant referred to, "By this change the public are left "without any security whatever with respect to the amount of Deficiency Bills issued, "beyond the mere declaration of one executive department of the Government, whilst "under the practice sanctioned by Lord Grenville," and the other ministry, "the declaration

Appendix, No. 9.

" of the Treasury was checked and controlled by the constitutional officer appointed spe-
" cially to guard against the possibility of abuse or negligence."

And again: " For the first time since the enactment of the 57 Geo. 3, the amount of
" Deficiency Bills has been determined by the unchecked arbitration of the Treasury, in
" place of being the result of an account compared and checked by an independent Parlia-
" mentary officer."

In the same letter he states further, " The certificate of the Comptroller-general is the
" ground-work and foundation of the Treasury Warrant for making out the Deficiency
" Bills."

It will be a sufficient answer to these statements to set forth at length the clause of the Act of the 57 Geo. 3d, in which authority is given to issue Deficiency Bills; but before they do so, my Lords think it right to state that the Comptroller-general, in alleging that the public are left without any security whatever, with respect to the amount of Deficiency Bills issued, beyond the mere declaration of this Board, has overlooked the uniform practice of the Exchequer, according to which the Deficiency Bills are issued, not upon the receipt of the Deficiency Bills Warrant, but upon the separate payment warrants sent to him for the interest of the debt, and other services charged upon the Consolidated Fund, and that the Deficiency Bills Warrant is not of itself a sufficient authority for the issue of such Bills.

The 6th clause of the Deficiency Bills Act, which clearly defines the powers and duties of the Treasury and the Exchequer in reference to these bills, is as follows:

" Be it therefore enacted, that if upon making up the accounts of the income and charge
" of the said Consolidated Fund in Great Britain or Ireland respectively for the quarters
" ending on the 5th day of April, the 5th day of July, the 10th day of October, or the
" 5th day of January in any year, it shall appear to the Commissioners of his Majesty's
" Treasury that the produce of the said fund is not sufficient to defray the charges there-
" upon in Great Britain or in Ireland respectively, then and in such case it shall and may
" be lawful for the Commissioners of his Majesty's Treasury, or any three or more of them
" for the time being, from time to time, by warrant under their hands to cause or direct any
" number of Exchequer bills to be made out at the receipt of his Majesty's Exchequer in
" Great Britain, for such sum or sums of money as shall be sufficient to make up such
" deficiency in Great Britain or Ireland respectively; and such Exchequer bills shall be
" made out in the same or like manner, form and order, and according to the same or like
" rules and directions as are directed and prescribed in and by an Act made in the 48th
" year of the reign of his present Majesty, intituled, 'An Act for regulating the issuing and
" paying off of Exchequer bills.'"

But the Comptroller-general endeavours to justify the continuance of the duplicate Consolidated Fund Warrant by reference to the usage of the ancient Exchequer. In his letter of 30th December 1854, he states in my letter of the 6th September 1854, "I
" distinctly brought before your Lordships the unquestionable fact, that the usages which
" had existed in the ancient Exchequer were maintained and preserved by law."

My Lords cannot, however, admit that it was the intention of those who framed the Act 4 & 5 W. 4, c. 15, to maintain and preserve the usages which existed in the ancient Exchequer. In the report upon which that Act was founded, the Commissioners state:
" We have observed that nearly all the forms and practices now in force may be traced to
" very remote periods, and that notwithstanding the extreme changes and improvements
" which experience and civilisation have so generally introduced into pecuniary transac-
" tions, the forms of the Exchequer have undergone little or no amendment or alteration.
" On considering, therefore, on the one hand, what are or ought to be the legitimate func-
" tions of this department, and, on the other, the variety and perplexity of forms and
" checks now in use, and the number of individuals employed under the existing establish-
" ment, we have come without hesitation to the conclusion that a much more efficient and
" economical system than that now employed may be safely and advantageously intro-
" duced." There are other passages in the same report which clearly prove that the object of the Commissioners was not to continue and confirm previous usage, but to simplify the forms of public business, and economise the public time.

My Lords have only to remark with reference to the suggestions which the Comptroller-general has favoured them with, for facilitating the examination of the quarterly Schedules in his department, that they will endeavour to forward the schedules to the Exchequer at as early a date as possible, consistently with the due examination of them in their office, and that after the expiration of the present quarter they will cause them to be reprinted, and sent to him for revision; some of the Irish schedules will be sent to him shortly for the same purpose. But my Lords wish it to be clearly understood that while they are desirous of adopting any suggestions which his Lordship may offer for facilitating the examination of the charges included in the quarterly shedules, it is not their intention to revive obsolete and ancient practices, which it was the object of the Royal Commissioners and of the Act of 1834 to amend and simplify.

(18.)

My Lords, Exchequer, 20 March 1855.

I HAVE the honour to acknowledge the receipt of your Lordships' letter of the 3d March, enclosing the Treasury Minute of the 27th February, written in reply to my letter of the 30th December 1854. Comptroller-General to Treasury, 20 March 1855.

I should have answered your Lordships' communication with more despatch, but from causes connected with the duties of this department, and from the political changes which have occurred in the Board of Treasury itself, the new Treasury warrant having only been transmitted to me for entry and registration at the Exchequer on the 12th instant, it was difficult or inexpedient to do so. Exchequer control by record of patents.

Your Lordships are pleased to animadvert on some supposed misapprehension on my part respecting the control which I consider it to be my duty to exercise for the purpose of guarding, as a constitutional officer, against the possibility of abuse or negligence on the part of your Lordships. Animadversion on Exchequer control.

It might be inferred from these words that I was so imprudent and ill-advised as to presume to claim or to exercise some novel or unprecedented authority over the proceedings of your Lordships. Such, however, is the very reverse of the case. I have only sought to fulfil the duties which I found established in this office more than 15 years ago, which I find to have been practised since the first formation of the department, which have been invariably concurred in by every succeeding Treasury Board that has since existed, including that with which I was for many years connected as Chancellor of the Exchequer, and which are strictly in accordance with law and usage, and cannot be set aside without prejudice to the public service. So far from venturing to impose on your Lordships any new restraints on the discharge of your high functions, I only seek to continue the former practice, which has been sanctioned by experience as well as by authority.

I also respectfully beg leave to remind your Lordships, that so far from maintaining the necessity of *duplicate warrants*, of which you complain, I have, in my memorandum of the 1st of January, pointed out how all that is really required, in order to preserve the constitutional check of this department, could be attained without the abandonment of one single precautionary measure which my duties and the public service require, and by the adoption of which the necessity of all duplicate warrants would be superseded. Duplicate warrants unnecessary.

Your Lordships state that, not contented with any control over credits; and I maintain that it is my duty as a constitutional officer to guard against *the possibility of abuse or negligence* on the part of the Treasury. If this observation is limited to matters immediately connected with my department, and going no further than the functions of the Exchequer, I am prepared to adopt and justify the assertion, that in relation to my own functions, *it is* my duty to guard against any abuse or negligence which from any cause may appear on documents brought before me for my direction or government. This, by your Lordships' predecessors, has been recognised as not only consistent with my duty, but as most important for their protection. Of this I cannot give your Lordships a more direct example than a late one on the 3d of March. Your Lordships were pleased to suggest that the specification papers by which the whole receipt of the revenue at the Exchequer is regulated should be dispensed with. I pointed out that this was, in fact, the setting aside of an Act of Parliament, and that I could not legally carry it into effect, even on the high authority of your Lordships. The Treasury acquiesced in this decision, supported as it was by the opinion of the law officers, given several years back; and your Lordships' original instructions are most prudently abandoned. Had they been persevered in, your Lordships must see that it would have been my duty to refuse obeying your commands. Another very conclusive example will be found in reference to the Minute for the regulation of the Consolidated Pay Office, in 1849: that Minute was adopted by your Lordships' predecessors in December 1848; and it was passed, printed, and distributed to the several Government departments. I took exception to certain parts of it, as contrary to law, and affording facilities for the application of public monies in a manner at variance with their just appropriation, and the enactments of the 4 & 5 Will. 4, c. 15. The objectionable Minute was withdrawn; it was revised, corrected, and, in a form considerably improved, was adopted and laid before Parliament in the subsequent month of March. In another instance, a sum of 25,050*l.*, which had very long been continued on the public account, and returned to Parliament as "Exchequer Bills outstanding," was shown by me *not to represent outstanding Exchequer Bills* in any respect, but to have been a mode adopted for settling an imperfect account. The error was in consequence corrected; and in this, as in other cases I have specified, I acted with the entire concurrence and approval of the Treasury, and, as I believe, likewise in conformity with my official duty. I shall continue to do so, not considering my functions limited to credits only. Examples. Specification papers. Pay Office Minute. Outstanding Exchequer Bills.

Your Lordships seem to consider, likewise, that I am in error in assuming that it is my duty to certify what you designate as being so *simple a matter* as the account made out quarterly, showing the excess of charge on the Consolidated Fund, by which the amount of Deficiency Bills is regulated. You seem to consider it somewhat presumptuous that I should suggest that this Exchequer certificate is the groundwork and foundation of the Treasury authority, and that the abandonment of that security leaves the public to the unreserved arbitrium of the high department of the Treasury only. My Lords, from the date of the first issue of Deficiency Bills, the certificate of the Exchequer was not only required by your Lordships, but was *recited in your Lordships' warrant as its foundation and authority.* Your Lordships have been pleased to withhold the information uniformly furnished to the Exchequer, Hitherto uniformly required.

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Exchequer, on which that certificate was founded; the certificate has necessarily been abandoned, and I have been constrained to return my accounts in an imperfect state to your Lordships, to the Bank, and to the Commissioners for the National Debt; adding, however, a memorandum in these cases, that I disclaimed all responsibility for the result. Your Lordships will thus see that what you appear disposed to object to, as an undue encroachment on my part, in this respect was only a maintenance of the *invariable practice of the Treasury, which affirmed in its own warrant* that the certificate of the Exchequer was the foundation on which the amount of Deficiency Bills rested, and the voucher by which the correctness of that amount was ascertained; as a matter of fact, it is therefore undeniable that the check is now withdrawn, and an instrument, formerly supported by the authority of an independent constitutional officer, now rests exclusively on your Lordships' decision. I may remind your Lordships that the effect of this change has been to produce errors in two quarterly accounts—an event, I believe, unprecedented; and though those errors were trivial in amount, they were sufficient to prove the inexpediency of what I may be permitted to call an unwise departure from invariable usage and precedent.

Consequences of abandonment.

Errors produced.

I annex copies of the form of Deficiency Bill Warrant, *adopted uniformly* till the late change, as well as a copy of that now introduced. Your Lordships, by a mere inspection, will perceive that what is considered in the Minute of 27th of February as a presumptuous assumption of authority by me was *the old and invariable practice of your predecessors* till the year 1854, and that the alteration made has entirely removed the previously existing constitutional check.

Copies of former and altered warrants appended.

It is quite true that the 57 Geo. 3, s. 6, does empower your Lordships, "on ascertaining "that the produce of the Consolidated Fund is insufficient to defray the charges thereon, "to direct the issue of the deficiency bills required, but as a correlative precedent." The making up the accounts of the Consolidated Fund is expressly directed; and by the former practice, now set aside, the production of the Exchequer certificate was required by your Lordships' predecessors for this operation.

57 Geo. 3, c. 48, s. 6.

If the simpler form and practice are adopted as recommended in my memorandum of the 1st of January, and which I collect is likely to be the case, the safe and constitutional usage may still be adhered to, and yet the duplicate warrants of which your Lordships complain may be set aside without any inconvenience.

Suggestions in Mem., p. 28.

But your Lordships, I deeply regret, proceed again to raise an argument which I had ventured to hope had been disposed of conclusively in my former correspondence, and in which, from your Lordships' silence from the month of December 1854 to the 3d March 1855, I had been led to hope you acquiesced. The point affects the whole principle of this office, and if admitted would, in my judgment—I say it earnestly but most respectfully—deprive me of the means of performing the functions assigned to me by the Legislature. I allude to the authority of *usage* in this department. Any attempt by your Lordships to set aside all the authority of *usage* in the Exchequer would, to the best of my judgment, amount to the assumption of a legislative authority on your part, and would produce infinite confusion and uncertainty; I am, therefore, constrained, with the utmost deference to your Lordships, to entreat your Lordships to re-consider the opinion you seem disposed to adopt, but which I cannot but resist by all legitimate means, till either a court of justice or the authority of both Houses, to whom I am responsible, shall determine the question. I beg to refer your Lordships to my letters of the date set forth in the margin on this subject, but shall only add some additional facts which seem to me important.* But I must first guard myself against the supposition suggested in your Lordships' Minute. It is not only far from my intention to suggest that the ancient, complex, expensive, and inapplicable regulations of the middle ages should be revived or continued—such a proposition would only deserve to be treated as equally absurd and contrary to law. The antiquated practice of early times, the operose transactions of the three ancient departments, are swept away by the 4 & 5 Will. 4, c. 15, together with the Roman numerals, cancelled bank notes, the Latin entries, the debentures, privy seals, and wooden tallies. A simple and economical system is produced, by which, in place of six great offices, either sinecures or executed by deputy, assisted by 68 subordinate clerks, messengers, &c., at an annual expense of 43,014 *l.*, the whole functions are performed by myself and my able assistant, Sir Edward Ryan, with 11 clerks and 5 subordinate office keepers, watchmen, and messengers, entailing a charge of no more than 7,393 *l.* The simplicity and expeditious punctuality with which all is completed will best be shown in the fact that your Lordships have never had occasion to complain that the executive functions of the Exchequer have ever been left in arrear for one day. Those middle-age formalities have ceased to exist, because they are *abolished by statute*, as being contrary to or inconsistent with the 4 & 5 Will. 4, c. 15. But the usages not *being inconsistent with that statute* are preserved and continued by the express conditions of that statute itself; and it neither rests with even the high authority of your Lordships, nor yet with me, to set them aside. It is, therefore, wholly foreign from my wish, or my sense of duty, to seek, as your Lordships seem to imagine, to "revive *obsolete and ancient practices*;" I contend for no usages which *have not been acted on at the Exchequer and the Treasury* during the reign of Her present Majesty, *and up to the year* 1854; no one of which usages come either under the words or meaning of the passages in the Commissioners' Report of 1831, to which you are pleased to refer me, or tend to create expense, delay, or complicity. This question is so simple, and its solution so very clear, that I feel persuaded your Lordships cannot hesitate with respect to the judgment you will be called on to pronounce. I shall refer you shortly to the leading but conclusive principles, which seem not only to affect but to decide and dispose of the whole question.

Exchequer usage.

Cannot be dispensed with by legislative authority.

Which Comptroller must resist till a court of justice or Parliament otherwise determines.

* 7 August 1854, 6 September 1854, and 30 December 1854.

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The s. 4 (4 & 5 Will. 4, c. 15), enacts that all the powers and authorities "now vested "in the Auditor of the Exchequer or Clerk of the Pells, *either* BY LAW OR USAGE, shall "from and after commencement of this Act, be *transferred* and *vested* in the said Comptroller, subject to the provisions of this Act; *except only so far as any of the said powers "and authorities are or shall be by this Act controlled*, diminished, or varied." Confirmed by Exchequer Act.

It therefore appears to me too clear to be doubted or denied, that in all cases where any power or authority, whether originating in law *or usage*, can be proved to have existed, and been vested in the Auditor or Clerk of the Pells, on 11th October 1834, are by law transferred to and vested in the Comptroller-general, unless controlled, diminished, or varied by the 4 & 5 Will. 4, c. 15. The question therefore to be decided, where cases arise in which this principle is involved is, was the particular power or authority possessed by the Auditor or Clerk of the Pells in the ancient Exchequer? and if it was, has it been controlled, diminished, or varied by the 4 & 5 Will. 4? Unless the first question be answered in the *negative*, and the second in the *affirmative*, the usage is still in force, is binding on all parties, and possesses a statutable force from which nothing but a legislative authority can discharge any of the parties concerned. If the Act is not within the exception, it comes *within the statutable rule.*

On these grounds I must still differ from your Lordships in your denial of the force of *all usage and custom as regulating* my functions. I shall only add in conclusion, that I have never been so ill advised as to contend that any usage at variance with the 4 & 5 Will. 4, has any legal force or authority whatever. Comptroller maintains force of usage.

I am, &c.
(signed) *Monteagle*,
Comptroller-General.

To the Lords of the Treasury.

(No. 40.)

Mr. *Romilly's* Salary suspended till Patent produced; involving Exchequer Control.

Exchequer, 9 October 1854.

My Lords,

REFERRING to your Assistant-secretary's letter of direction of the 7th instant, desiring me to issue a credit of 1,390 *l.* 15 *s.* 2 *d.* to Lord Stanley of Alderley, being the balance remaining due on account of 48,612 *l.* 6 *s.* 1 *d.* included in your Lordships' warrant for salaries and allowances for the quarter ended 5 July 1854, I have to report as follows:— Comptroller-general to Treasury, 9 October 1854.

This sum of 1,390 *l.* 15 *s.* 2 *d.* includes a sum of 375 *l.*, being the quarter's salary of Edward Romilly, esq., as chairman of the Audit Board, and as his patent in the latter capacity has not as yet been produced to this department, it is contrary to the existing usage, until that has been done, that the chairman's salary of 375 *l.* should be issued. I have consequently been constrained to limit the credit to the lesser sum of 1,015 *l.* 15 *s.* 2 *d.*, the balance of 375 *l.* being issuable hereafter on compliance with the accustomed form.

I have, &c.
(signed) *Monteagle*,
Comptroller-General.

To the Lords Commissioners of
Her Majesty's Tresury.

Treasury, 13 October 1854.

My Lord,

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of your letter of the 9th instant, in which you inform their Lordships that you have been constrained to limit a credit of 1,390 *l.* 15 *s.* 2 *d.*, ordered by their assistant-secretary's letter of direction, dated the 7th instant, and to suspend the issue of a sum of 375 *l.*, being the amount of a quarter's salary to the chairman of the Audit Board, in consequence of the non-production, at the Exchequer, by that officer, of his patent of appointment; and I am to inform your Lordships that the credits referred to did not include, as you have inferred, the salary of the chairman of the Audit Board, but that it was required for the payment of the compensations due to the Universities of Aberdeen and Glasgow, and to Sion College, for loss of books, under the Copyright Act. Treasury to Comptroller-general, 13 October 1854.

The salary of the chairman of the Audit Board, for the quarter to the 30th June last, was provided for in the credit granted by your Lordship on the 8th July last; my Lords therefore request that the sum of 375 *l.*, which you have deducted from the credit ordered on the 7th instant, may now be issued, to enable the Paymaster-general to pay the compensations in question.

I am commanded, at the same time, to acquaint your Lordship, that as the right which you have assumed, of stopping the salary of a public officer, after it has been investigated, admitted, and ordered for payment by their Lordships, is one which is inconsistent with the authority of this Board, and the exercise of which may lead to great inconvenience to the public service. Their Lordships have been led to examine the Act of Parliament under which

Appendix, No. 9.

which your office is constituted, with the view of discovering whether the step which you have taken is justified by any authority conferred upon you by that Act, as their Lordships are decidedly of opinion that the exercise of such a right as you claim cannot be justified by mere custom, but that it should rest upon the clearest evidence that such authority is conferred upon you by law.

My Lords have examined the Act 4 & 5 Will. 4, c. 15, and they consider that it does not confer upon the Comptroller-general of the Exchequer any such powers.

The 13th clause of the Act provides, that in all cases of grants by Parliament, charged on the Consolidated Fund, it shall be lawful for the Commissioners of the Treasury to authorise and require the Comptroller-general of the Exchequer to accredit the several persons whose duty it may be to pay such charges with the sums requisite for that purpose, and that the Comptroller-general, having first satisfied himself that such payments are duly authorised by law, shall direct the Bank of England to grant credits to the officer whose duty it shall be to make the payment.

The warrant for the salaries charged on the Consolidated Fund, for the quarter to the 5th July last, included the salaries of the Commissioners for auditing the Public Accounts, at the rates fixed by Act of Parliament for those officers; it would be clearly within the line of the Comptroller-general's duties to suspend the issue of the salaries of that Board, if a larger number of Commissioners, or if higher rates of salary than the Act authorised, had been included in their Lordships' warrant; but the number of Commissioners and the rates of salary having been strictly in accordance with those sanctioned by Parliament, their Lordships are disposed to consider that it was no part of the Comptroller-general's duty to inquire by whom those offices were held, and that it belongs to their Lordships to register warrants of appointment before they issue their authority to the Paymaster-general to pay the salaries to the persons entitled to them.

Their Lordships apprehend that the usage to which you refer existed under the old constitution of the Exchequer, when the payment of salaries, allowances, and other charges, was made in detail at the Exchequer; and they consider that it was perfectly consistent with the duty of an office of *payment*, responsible for paying the salaries to the proper persons entitled to require the production of warrants of appointment, which were necessary vouchers to the accounts of such payments; but by the Act 4 & 5 Will. 4, c. 15, s. 15, the duty of payment was removed from the Exchequer, and assigned to a Paymaster, who was made subject to the control of this Board, and the books of the office of the Paymaster were, by that Act, made books of record; it appears therefore to their Lordships that there are no grounds for continuing the old practice of registering warrants of appointment at the Exchequer.

I am further directed to acquaint you, that their Lordships have felt it their duty to call upon you to reconsider the authority under which you claim the right of suspending the salary of a public functionary, under the plea that the party has failed to comply with a custom which appears to their Lordships not only to be wholly unnecessary, but, so far as they are aware, unsupported by legal sanction; and I am directed, at the same time, to add, that if their Lordships have overlooked any Act of Parliament which confers upon you such powers, they request that you will call their attention to it.

The Comptroller-general of the Exchequer,
&c. &c. &c.

I have, &c.
(signed) *James Wilson.*

Comptroller-general to Treasury, 31 October 1854.

My Lords, Exchequer, 31 October 1854.

In my letter of the 18th instant I stated, that the obligation of continuing the established and legal usage of the Exchequer, by requiring the production and registration, at this office, of patents, warrants, and all instruments under which were erected rights to receive salaries, pensions, annuities, or other emoluments, was so important as to require special and most serious consideration. I had also the honour of informing your Lordships, that after such an interval of time as was required to review the whole subject, I doubted not that I should be enabled to bring before you reasons and authorities abundantly sufficient to prove that the change of system contemplated by your Lordships was inconsistent with authority, with express statute law, and with constitutional principle.

I now proceed to perform a duty cast upon me, the more stringently by reason of your Lordships' desire that I should reconsider the judgment which I had already pronounced in favour of adhering strictly to the practice which I found established when appointed to this office, and from which I see no reason stated by your Lordships to justify me in departing. I must, however, be permitted to state, that it is with the utmost reluctance that I differ at any time from your Lordships. I have felt the same regret, under similar circumstances, in relation to former Boards of Treasury; but where the law casts upon me a specific duty, and imposes on me a distinct responsibility of acting on my own independent conviction of what the law demands, I have no choice but to carry those convictions into effect in all my official proceedings, subject to my responsibility to the two Houses of Parliament. When the office which I have had the honour of holding for upwards of 15 years was first constituted, doubts were expressed in the House of Commons, "whether "any single individual would be able to resist the strong pressure occasionally brought "into play against him whenever he put his views of *what was right* in opposition to the "Executive Government." Whilst not only prepared but anxious, in all cases, to forward the public service by all legitimate means, I trust I may never be found wanting in asserting

asserting the rights of this department, and performing the duties assigned to me by the Legislature, where an absolute control and responsibility is vested in me by law. The cases can, I trust, be but rare in which it will be my fate to differ from your Lordships, but it is in those cases exclusively in which I am bound to act with decision, though with unfeigned respect, towards the Board of Treasury.

Duty of Comptroller.

The duty with which I am charged by Statute is to prevent an issue from the Exchequer account at the Bank of England, for any purpose which I am not satisfied is duly authorised by law; and, unless first so satisfied, it is my duty to refuse my warrant for the issue in question, though it may be required by your Lordships' authority, or by an authority still higher, that of the Royal Sign Manual. It is by the right thus absolutely vested in me, that I can alone enforce an adherence to that Parliamentary appropriation of the public revenue, for the guardianship of which my office was mainly constituted, and for the unflinching exercise of which guardianship I am subject to a special responsibility, under the Exchequer Act, 4 & 5 Wm. 4, c. 15.

Exercise of Comptroller's authority.

I have declined issuing the credit for the payment of an official salary, on the ground that I am not satisfied by the evidence before me that this salary is duly authorised by law. Your Lordships inform me "that my stopping the salary of a public officer after it has "been investigated, admitted, and ordered for payment by the Treasury, is inconsistent "with the authority of that Board, and may lead to great inconvenience to the public "service." Your Lordships proceed to state that "such a right as *I claim* cannot be "justified by mere custom, but should rest on the clearest evidence that such authority is "conferred on me by law, and that having examined the Act (4 & 5 Will. 4, c. 15) constituting my office, your Lordships are of opinion that it does not confer on the 'Comptroller-general any such power." It is on this question that the Treasury and the Exchequer are now at issue; and it is a question of such extreme importance, that it cannot be allowed to continue doubtful and indeterminate.

Independently of Treasury.

I have, therefore, deducted a sum from a warrant of your Lordships, on the express ground that I am not satisfied that such payment is duly authorised by law; and I deny that the "previous investigation, admission, or order of such salary by the Treasury," relieves me from the necessity of acting on my own convictions of duty and of obligation. If, as your Lordships assume, in taking this course, I have overpast or violated my duty, it is of course open to you to take such steps as the contingency may demand.

Only his own judgment under Exchequer Act.

I respectfully entreat your Lordships to reconsider the principle which I have quoted as laid down in the Treasury letter before me. You will find, upon reviewing it, that it amounts to an absolute repeal of the Exchequer Act. If the examination and order of the Treasury be sufficient to preclude the exercise of my own judgment respecting the lawfulness of any issue applied for, then the whole force of the §§11, 12, and 13 of the Exchequer Act is annihilated; for those enactments distinctly require not that I should be satisfied, *as of a matter of fact*, that your Lordships have "examined, admitted, and "ordered" any particular payment, but that I should be first satisfied, as *a matter of individual judgment*, that such particular payment is duly authorised by law. I feel bound, as a public officer, charged with these special duties, respectfully to decline acting on the principle affirmed by your Lordships, being bound to resist any attempts to defeat or modify the Act which regulates my office, except made by Parliamentary authority.

Principle of control requires production of patents, &c.

I now turn from the consideration of the great principle which your Lordships have, for the first time, brought into doubt, to the particular case out of which it has arisen, and on which a decision is likewise urgently called for. Your Lordships are of opinion that I am not justified in requiring a strict compliance with the ancient and customary regulations by which all patents, warrants, and other instruments authorising the several parties to receive money payments, provided by Exchequer Warrants, are produced and registered in the Comptroller's office; and you intimate that, without the production of such patent or other instrument, I am bound to direct the payment by the mere authority of your Lordships' warrant. In the manner in which your Lordships express yourselves on this subject, you not only infer but express a strong opinion that this usage must be shown as resting on a distinct enactment, and that custom and precedent are inapplicable to the case.

Though I shall be able to suggest reasons founded on a just construction of the Statute Law, which are sufficient to demonstrate the necessity of producing the documents in question, I must, however, entreat your Lordships' indulgence whilst I proceed to state grounds why it is impossible to disregard the evidence of antecedent usage in this office; and, therefore, why I am bound wholly to dissent from the contrary opinion so strongly expressed by your Lordships.

Exchequer usage,

Confirmed by Exchequer Act.

By 4 & 5 Will. 4, c. 15, s. 3, "all the powers and authorities vested in the auditor of the "Exchequer or the clerk of the pells, either by *law or usage*, are transferred to and vested "in the Comptroller-general, subject to the provisions of the 4 & 5 Will. 4, except so far "as by the Act itself they are controlled, diminished, or varied." Thus, so far is it from being maintainable, it seems to be assumed by your Lordships that usage should be altogether excluded in considering the question at issue; usage, on the contrary, is expressly continued and confirmed by statute, unless in the excepted cases specifically set forth.

It remains, however, to be shown, first, what was the former usage, and how it was interpreted and applied antecedently to the enactment of the 4 & 5 Will. 4, and up to the present time; and, second, that so far is such usage from being controlled, diminished, "or varied" by the Act, the maintenance and enforcement of the ancient but uninterrupted usage is indispensably necessary to give meaning or effect to the modern enactment.

1. In

Powers of Exchequer by antecedent usage in recording Parents, &c.,

1. In the former Exchequer, all instruments of appointment involving money issues, such as those under consideration, were not only produced and recorded, but this obligation was twice repeated. They were recorded in the office of the auditor, who had, by virtue of his office, as I have by mine, an unlimited power of refusing his sanction to any issue which he considered to be contrary to law. The same instruments were again produced and recorded by the clerk of the pells, who also had, by his office, as I likewise have by mine, an unlimited discretion of stopping an issue if he declined to record the instrument produced on the ground of its illegality. Such was the usage of this department from the earliest times, as shown by the practice in the two ancient offices; and that usage, with all its attendant powers and authorities, is transferred to me by the statute regulating my office, and by Her Majesty's patent appointing me to that office. In order to ensure the fearless exercise of these functions in controlling the Acts of the Ministers of the Crown, the auditor and clerk of the pells were appointed for life. For the same purpose the tenure of my office, like that of the judges and auditors, is during good behaviour, and my responsibility to Parliament is made the same as that of judicial functionaries.

transferred to Comptroller.

Evidence of Exchequer usage in recording Patents, &c.

Your Lordships may, however, justly ask for further evidence than a mere general statement, before you adopt the conclusions to which I seek to lead you. I therefore proceed to refer you to authorities of the most conclusive kind, which, having been found satisfactory by the Legislature, will not be undervalued by your Lordships: "The entry in "the official books of the auditor of grants, such as sign manual warrants, letters patent, "and every other document by which any salary, allowance, or pension, may be perma- "nently or periodically made payable at the Exchequer, is performed verbatim from the "originals." Such is the evidence of Mr. Grosvenor Bedford, the late experienced and learned deputy of Lord Granville. The usage which prevailed in the office of the Clerk of the Pells, is described with equal distinctness by the Right Honourable H. Ellis. "All "patents, constitutions, appointments, and sign manual warrants, are entered in the patent "book verbatim, and a record made on each, to which the Clerk of the Pells affixes his "signature."

Mr. Bedford.

Right Hon. H. Ellis.

Evidence of legality of Exchequer usage.

The legal authority consequent on these proceedings in the two ancient offices referred to, and the force and effect of the usage of producing and recording these written instruments, is also set forth by the same witnesses: "The auditor is bound to execute the com- "mands of a superior authority in so far only as of *his own knowledge* he is convinced of "their legality, and to remonstrate against, and even ultimately to resist, when that legality "is not apparent. This obligation and these conditions were annexed to the tenure of his "office, at the earliest date to which its existence can be traced" (Bedford). In respect to the pells, the evidence is equally decisive. "No money can be issued by the Tellers "without the *record and sanction* of the Clerk of the Pells, and no such record can be "affixed to a Treasury document without first ascertaining that the same is in conformity "with the law. The Clerk of the Pells would be personally responsible for any record by "which an illegal issue of the public money had taken place" (Ellis).

Mr. Bedford.

Right Hon. H. Ellis.

Exchequer Commission, 1831.

It was on this and on similar evidence that the Royal Commission of 1831, of which Lord John Russell, Sir James Graham, General Sir James Kemp, Sir Francis Baring, the Right honourable Edward Ellice, together with other persons of high authority, since deceased, felt warranted in reporting that "the Exchequer was armed with the power of denying its "sanction to any demands upon it, from whatever minister or department it may be made, "unless they are found in accordance with the determination of the Legislature. From its "earliest constitution it has been looked upon as a check upon the Lord High Treasurer."

Evidence of continuance of Exchequer powers to Comptroller.

That it was not contemplated in any respect to limit or abridge these constitutional powers by the new system then recommended and carried into effect by the 4 & 5 Will. 4, c. 15, is manifest from the following observations of the Commission: "We are of opinion that "the most effectual restraint upon the Crown and its Ministers should be *preserved and* "*maintained* in any plan for reforming the existing system, and that no appropriation of "the funds received into the Exchequer shall take place without such sanction as shall be "a real guarantee for the legality of the appropriation."

Founded on these principles, the 4 & 5 Will. 4, c. 15, was passed, and by section 3 all the powers and authorities vested in "the Auditor and Clerk of the Pells, either by law or "usage," were transferred to the Comptroller-general, and by sections 11, 12, 13, he is precluded from granting his warrant, notwithstanding the command of the Sovereign and the responsible signature of your Lordships, "till he shall first have *satisfied himself* that "the payments directed are duly authorised by law." The same power and authority formerly exercised by the Auditor and Clerk of the Pells is thus vested in the Comptroller-general; the latter is bound to satisfy his own mind of the legality of the order before he issues his credit in favour of the Paymaster-general, as his predecessors were bound to satisfy themselves before directing payment through the Tellers; and to justify the performance of the same duties, the same evidence should be required and ought to be produced. The original patent or instrument of grant formed the foundation of that evidence, and was produced at the Exchequer and registered. It has been produced up to the present time; the ancient usage of the department has been confirmed and perpetuated by statute, and I therefore respectfully but firmly submit that an adherence to that usage is indispensable to justify my warrants of issue, or to give them a legal validity.

Record of Patents, &c. at Exchequer,

2. Your Lordships seem, however, disposed to think that because a separate office of payment is now established, the custom of producing and registering these instruments of

grant

grant is no longer required, and may be set aside. This supposition I shall proceed to show is untenable. I may, in the first place, remark that neither the Auditor nor the Clerk of the Pells were officers for payment. Their functions, like my own, were to control and sanction orders for payments afterwards made by the Tellers, and it is remarkable that in the Tellers' department the instruments in question were not produced or examined. The production and examination were confined to the offices of control, and I have shown that it is the authority of those departments of control which is by statute transferred to me with all its powers and incidents.

notwithstanding transfer of payments to Paymaster-general.

Independently of this observation, though what I have stated appears to me conclusive in itself, I think I can satisfy your Lordships that under the express provisions of the sections 11, 12, 13, 4 & 5 Will. 4, c. 15, it would be wholly impossible to set aside the present regulations for producing and recording grants and appointments, if it is meant that the duty of the Comptroller-general is to be effectually performed, and the intentions of Parliament are to be realised.

Record of Patents, &c. necessary under Exchequer Act,

I have shown by a reference to the direct words of the statute, that Exchequer warrants sanctioning issues can only be signed legally when the Comptroller-general is satisfied that the issues required are sanctioned by law. When an Act of Parliament gives to the Crown a power to appoint a public servant to an office, or to grant a salary, annuity, or pension of the class under consideration, this power is exercised by some written instrument of appointment. Without such appointment or grant, the issue of salary would not be legally payable, and if not legally payable, would not be legally issuable by the Exchequer. The legality of the issue must therefore be proved by the production of the legal instrument of appointment, and till that production takes place, evidence of which is preserved in the books of this office, made records by statute (4 & 5 Will. 4, c. 15, s. 16) neither the Act of Parliament, enabling the Crown to appoint or grant, nor your Lordships' warrant, directing payment, will supply the complete evidence justifying the Comptroller-general in issuing his warrant. He cannot, therefore, be excused if he dispenses with that check against unauthorised payments, which from the earliest times has been uniformly required. There are some cases, it is true, where appointment takes place without any written instrument of appointment, and to these obviously the preceding observations do not apply.

to sanction issues.

The functions and prerogatives of the Crown in these respects are frequently exercised within the limits of the statutable authority, though they cannot legally exceed it. For example, the Crown need not necessarily grant the amount of pensions authorised by law; but the Exchequer issues must by law be confined to the amount actually granted. The Crown may be authorised to appoint a specified number of Commissioners to fill a certain office, but it may be lawful that a lesser number should be named. It is the number who are named, and not the number who might be named, who are entitled to the emoluments of office; and for that lesser number only is the Exchequer warranted to provide. In proof of the actual fact of the appointment, and of the assigned salary, the instrument of grant is required to be produced and registered in this department. As a further example, your Lordships are aware that the amount of retired official pensions is not uniformly filled up; therefore the existing grants of such pensions are produced and registered to justify the amount required in your Lordships' warrants. Cases have arisen in which the salaries granted to high judicial functionaries have been fixed below their statutable amounts. This again, can only be shown by the production of the patent. Annuities and ordinary pensions are sometimes granted subject to conditions; some are suspended for a time; others made payable in certain specified events only. The legality of these payments, and consequently of the warrants directing the issues, depends on the performance or occurrence of these conditions. I therefore most respectfully submit to your Lordships that, if I am bound to satisfy myself of the legality of an issue, the evidence which has hitherto been produced both to me and to my predecessors, cannot be withheld, consistently with the legal interpretation or the obvious import of the 4 & 5 Will. 4. Without the continuance of the established usage in this respect, I shall be utterly unable to fulfil those functions which are described by the Commissioners of 1831 to be, "to prevent the appropriation of the public money, except according to the direction of Parliament." A statute may enable Her Majesty to appoint certain officers with certain salaries; but it is by the production of the instrument of appointment that I obtain official knowledge of the appointments made and the salaries assigned, and without that official knowledge I am not legally justified in acting, by signing a warrant to the Bank.

As evidence of exercise of authority of Crown.

Having now, I trust, shown how the practice which your Lordships seem inclined to abandon, forms an integral part of the 4 & 5 Will. 4, c. 15, ss. 4, 11, 12, 13, it becomes my duty to remove from the minds of your Lordships the supposition that the production and registration of patents and warrants is merely "an old practice" connected with the unreformed Exchequer. On this subject I may refer to the patents of your own Board. Without going beyond the existence of my office, your Lordships will find that the Treasury patents in the successive Governments of Lord Grey, Lord Melbourne, the Duke of Wellington, Sir R. Peel, Lord John Russell, the Earl of Derby, and the Earl of Aberdeen have all been produced and registered. Even where the change in a single Junior Lord renders the issue of a renewed patent necessary (as when at a late period Mr. Fortescue was named in the room of Mr. John Sadleir), the same course was properly pursued. This, which is the latest precedent, was most properly accompanied by the following direction, contained in your Lordships' letter of 13th March 1854, by which I was instructed to "*record the patent* in the office

Evidence of continuance of Record of Patents, &c. by Comptroller.

Treasury Patents.

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of the Comptroller-general." The patents of the Comptrollers-general and the warrants appointing the Assistant-comptrollers are in like manner recorded. Grants of diplomatic and of official pensions are also produced and entered. But perhaps the strongest instances that can adduced are those of the learned persons who now occupy, or have occupied, the Bench both in equity and law. The present Lord Chancellor, on three separate occasions, as Baron of the Exchequer, Vice-Chancellor and Lord Justice of Appeal, the Master of the Rolls; the Lord Justices Knight-Bruce and George Turner, the Vice-Chancellors; Lord Chief Justice Campbell and Jervis; Chief Baron Pollock, and all the Puisne Judges; men not very likely to lend themselves to an unauthorised or illegal usage, have all produced their patents, without which the Exchequer would not have considered these distinguished magistrates entitled to receive their salaries. The retired allowances granted to Lords Brougham, Lyndhurst, Truro, St. Leonards, and Blackburn, as well as similar grants to Common Law Judges, are subjected to the same invariable rule. Such is also the case with respect to the military and naval pensions of Wellington, Nelson, Rodney, Duncan, granted before the passing of the 4 & 5 Will. 4. The annuities to the Royal Family, to His Royal Highness Prince Albert, the Duchesses of Kent, Gloucester, Cambridge, were all so produced and recorded before they were made payable or paid; and your Lordships will doubtless recollect that recourse was had to this office to discover, from the terms of the original grant registered here, what was the legal import of the grant to her late Majesty Queen Adelaide.

Judges,

Military and Naval Pensions.

Royal Family.

Recapitulation of argument.

Your Lordships will be pleased to bear in mind that I have cited these numerous cases, however important they may be, not as constituting conclusive evidence of usage *if they stood alone*. But I have shown you the original usages of the Exchequer; I have shown you the transfer and perpetuation of those usages to my office by statute; I have shown you that without the maintenance of such usages my duties as Comptroller-general cannot be performed, and I then tender to your Lordships a succession of most authoritative cases to show you, from indisputable facts, the construction put upon the law by invariably concurring and contemporary usage.

Record of Patents, &c. directed by Treasury.

But the case does not rest here. It is my duty, before I close, to appeal to one further authority, which I trust your Lordships will receive with the same respect which I most unaffectedly feel. I appeal to the authority of the Treasury itself, and to the instructions issued by that department to assist me in the performance of my duties. That authority, your Lordships will perceive, fully adopts and confirms the principles on which I consider it to be my duty to act.

Evidence on Civil List Pensions.

I shall only refer to recent cases. By the arrangements made at the accession of Her Majesty, the grant of pensions chargeable on the Civil List was placed on a new footing, the grant of pensions within a maximum amount of 1,200 *l.* being authorised to be granted annually by Sign-manual warrant. These pensions formed a distinct kind of charge, differing in many respects from the antecedent grants made in previous reigns. For a time the sum granted was returned to the Exchequer as a gross sum; but this irregularity having been adverted to, was instantly corrected by a Minute dated the 24th December 1850, and which was issued with the special signature of Sir Charles Wood, then Chancellor of the Exchequer. The Minute is appended in full to this letter, and it is only necessary here to call your Lordships' particular attention to the following extract:—"The fifth class of the "Civil List (pensions), under which the issues for pensions are charged, necessarily fluc- "tuates in amount, and in order that *the Comptroller-general of the Exchequer should* "*exercise a proper control over the appropriation* of that branch of the Civil List, it appears "to my Lords to be desirable that he should have sufficient cognisance of the grants made "under the Act. Their Lordships therefore desire that a list may be prepared and certified "by the auditor of the Civil List, of the several pensions which have been heretofore "granted by Her Majesty, and are now in force; and that the same be transmitted to the "Comptroller-general for his guidance in respect to amounts of the quarterly charges on "the Consolidated Fund for the payment thereof, and they further desire that *any warrants* "*passed by Her Majesty for the further grant of Civil List Pensions, may be recorded at the* "*Exchequer Office before any provision is made for payment* in respect thereof." Signed, C. Wood.

Record strictly practised.

This regulation has since been strictly carried into effect, and payments have been suspended more than once, with your Lordships' cognisance, until the warrants have been produced. From the want of the new Queen's warrants of grant at the very last quarter-day, your Lordships acted on this principle, and suspended your warrant for issue till the warrants of grant were signed, transmitted, and recorded. This last form was complied with at so late a period as on the 30th instant, *yesterday last*.

Irish payments.

The Irish finances were not originally brought under the review of the Comptroller-general, and when this was done, and a Paymaster of Civil Services appointed for Ireland, a protracted examination of accounts, and the correction of a loose and defective system, required much time and labour. No production or registration of original grants seems to have existed in Ireland as at the Exchequer here. I made the discovery of a most extraordinary case of irregularity in which the salary of a deceased public officer was continued as a charge on the Consolidated Fund, not only after his death, but after the abolition of his office. I reported this fact, and stated to your Lordships that even if the death vacancy had

had been legally filled up, "I should not feel myself authorised to put such a charge on "the Consolidated Fund, without *an official knowledge of the fact and date of the new "appointment.*" I refer your Lordships to the official correspondence appended to this letter (8th April 1851, 13th June 1851, and 11th August and 17th September of the same year). I made the following recommendation respecting grants of office or payments of salary:— "I have to submit to your Lordships the *propriety in "point of law*, that your Lordships' minute, letter, or "warrant, should be communicated here contemporaneously with its transmission to Ireland. It would then "*be entered on the records of this office*, and I should thus "obtain an effective check on the correctness of the "schedules of quarterly charges, which is now wanting." This recommendation was made in respect to Ireland only as the correct system was already enforced in England, and was reported by me to the Treasury in the following words:—"When a charge is placed on the Consolidated Fund in England, even in cases "where the fact is notorious, as, for example, an annuity granted by Her Majesty to a "Member of the Royal Family under express statute, *the patent or other instrument is pro-"duced, entered, and copied in this department*, and is thus made the foundation of subsequent charges and issues." The Treasury had no difficulty in carrying into effect my recommendation, and by Sir C. Trevelyan's letter, 17th September 1851, I was requested to give directions "*that all warrants, letters, and other instruments, authorising charges to be "made on the Consolidated Fund, may be entered in my office immediately on their being sent "to me from the Treasury*, and that a note of such entry may be made on the instrument." This letter transmitted to me your Lordships' Minute of the 12th September, which is appended to this letter; and which after directing that the amount of savings on the Consolidated Fund in Ireland should be reported to me, "to enable me to *check the propriety "and legality of the charge which may appear in the schedules when they come before me*," informs me further that all such warrants and instruments of issue shall be transmitted to me for record at the Exchequer, and concludes by these remarkable words: "In case any "warrant, letter, or other instrument, authorising charge on the Consolidated Fund, shall "be transmitted to the Paymaster of Civil Services, Ireland, on the face of which *it shall "not appear that it has been entered at the Exchequer, he will return the same* to the office, "in order that it may be so entered." The Minute concludes by a requisition to the Treasury officers in all its departments, to carry the preceding regulations into effect.

APPENDICES.

(A.) 1. Treasury Letter, 6 Jan. 1851.
2. Treasury Minute, 24 Dec. 1850.
(B.) 1. Comptroller-general to Paymaster Civil Services, 8 April 1851.
2. Paymaster Civil Services Reply, 10 April 1851.
3. Comptroller-general to Treasury, 8 April 1851.
4. Treasury in reply, 13 June 1851.
(C.) 1. Comptroller-general to Treasury, 11 Aug. 1851.
2. Treasury Reply, 17 Sept. 1851.
3. Treasury Minute, 12 Sept. 1851.
(D.) 1. Treasury Letter, 29 March 1852.
(E.) 1. Comptroller-general to Treasury, 25 Sept. 1854.
2. Treasury Reply, 28 Sept. 1854.
(F.) Precis of Correspondence, Oct. Nov. and Dec. 1851. Salaries of Assistant Barristers, Ireland.

Scotch Changes.

On a late occasion, when the Scotch Schedules were for the first time transferred to the Consolidated Fund, I recommended that the system in force in Ireland should, as the best check, be adopted in Scotland likewise; and this I consider to be done by your Lordships' reply of the 28th September last.

Conclusion.

I have now reconsidered most carefully my former judgment, agreeably to your Lordships' instructions, and have pointed out, in perhaps too great detail, but not greater than the paramount importance of the question demands, why I feel it my duty to dissent from the principles laid down in your Lordships' letter of the 13th instant. It appears to me that I could not assent to those principles, without a violation of my strict official duty, without becoming party to an attempt to modify or repeal the statute law of the land by the authority of a department, and without forgetting my responsibility to both Houses of Parliament.

Record of Patents, &c. indispensable to Exchequer function, and cannot be dispensed with except by authority of Parliament.

I, therefore, adhere to my conviction, that if I find a charge of any kind on a Treasury Warrant, of the legality of which I am not myself satisfied, it is my bounden duty to suspend the issue of that charge till I shall be so satisfied, and that in respect to such charges the transmission and registration at the Exchequer of the instruments of appointment by the immemorial usages in the Auditors and Clerk of the Pells offices, perpetuated and transferred to me by the 4 & 5 Will. 4, c. 15, and adopted by your Lordships' predecessors and by yourselves up to the date of the Treasury letter of the 13th instant, is indispensable to the due execution of my functions, cannot be set aside but by the authority of Parliament, and is therefore obligatory on me.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

To the Lords Commissioners of
Her Majesty's Treasury,
&c. &c. &c.

Exchequer, 1 January 1855.

Comptroller-general to Treasury, 1 January 1855

My Lords,

I TAKE the liberty most respectfully of calling your Lordships' attention to my letter of the 31st October, respecting the salary of Mr. Romilly, as a member of the Board of Audit, and the two most important questions therein brought under discussion; namely, the necessity of producing and registering in this office patents, warrants, and other instruments analogous to those constituting the Board of Audit, and the duty and authority of the Comptroller-general to suspend the payment of a salary, in case he is not satisfied of the legality of the order he has received.

Appendix, No. 9.

The near approach of the quarterly issues, when this case, or others of a similar description, may be brought under consideration, renders it of importance that your Lordships' decision should be pronounced and communicated.

I feel it right to call your Lordships' attention to the fact, that since the doubts have been suggested respecting the registry in this office of patents, and similar instruments authorising money grants, as in the case of Mr. Romilly, the following instruments have been forwarded to me by your Lordships' authority for entry and registration, thus confirming the principle which I took the liberty of laying down :

23 October 1854, Pension Mrs. Montague.
23 October 1854, Pension Daughters Mrs. W. Nelson Ward.
23 October 1854, Mrs. Moore.
18 November 1854, D. D. Heath.
21 October 1854, Lieutenant-colonel Sheil, Diplomatic Allowance.
21 December 1854, Sir G. Hamilton Seymour.

As also the following charges created on the 11th August 1854, pursuant to Orders in Council.

	£.	s.	d.
R. K. Douglas - - - - - - - - -	511	14	8
Joseph Holl - - - - - - - - - -	140	14	4

The Lords of the Treasury,
&c. &c. &c.

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

My Lords, Exchequer, 9 January 1855.

Comptroller-general to Treasury, 9 January 1855.

I HAVE the honour of acknowledging your Lordships' warrant of the 6th January, and letter of direction of the 8th, authorising a credit of 14,967 *l.* 17 *s.* 1 *d.*

This includes the salary of Mr. Romilly, as Chairman of the Board of Audit, at 1,500 *l.* per annum; but as the patent appointing Mr. Romilly, which is now before me, only grants a salary of 1,200 *l.* per annum to Mr. Romilly, I am constrained to suspend the issue, and to deduct the sum of 75 *l.* from this warrant, that sum being in excess of the legal authority for issue now copied and recorded in this department.

The Lords Commissioners of
Her Majesty's Treasury,
&c. &c. &c.

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

COPY of TREASURY MINUTE, dated 6th March 1855.

Treasury Minute, 6 March 1855.

MY LORDS have before them a letter from the Comptroller-general of the Exchequer, dated 31st October 1854, in reply to a letter from this Board, dated the 13th October 1854.

Before my Lords proceed to comment upon the Comptroller-general's letter, they deem it necessary to set forth the circumstances which have led to the correspondence.

By a Royal Warrant, dated 20th April 1854, Mr. E. Romilly, previously a Commissioner of the Audit Board, was appointed Chairman of that Board on the retirement of Sir William Herries, and became entitled to the addition of 300 *l.* a year to his previous salary of 1,200*l.*, in accordance with the provisions of the Act 46 Geo. 3, c. 141.

On the 8th July 1854 a Treasury Warrant, dated the 6th July, was sent to the Comptroller-general of the Exchequer, authorising the issue of a credit for the payment of the several salaries charged on the Consolidated Fund, for the quarter ended 5th July. In that warrant the appointment of Mr. Romilly as Chairman of the Audit Board, and the date from which it took effect, were certified to the Comptroller-general under the signatures of two members of this Board.

Between the 8th July and 30th August 1854, the Comptroller-general gave to the Paymaster-general the several credits required for the payment of the salaries, with the exception of a sum of 1,390 *l.* 15 *s.* 2 *d.*, being the amount payable to certain universities for loss of books under the Copyright Act, which my Lords had not included in their issuing letters.

On the 7th October 1854, my Lords directed this sum of 1,390 *l.* 15 *s.* 2 *d.* to be issued to the Paymaster-general, and on the 9th October the Comptroller-general informed this Board that, as this sum included 375 *l.* for the salary of the Chairman of the Audit Board, he had limited the issue to 1,015 *l.* 15 *s.* 2 *d.*, on the ground that Mr. Romilly had not complied with the accustomed form in regard to the production of his patent at the Exchequer.

Upon a representation from the Board, dated 13th October 1854, informing the Comptroller-general that he had granted the credit for Mr. Romilly's salary on the 8th July previously, and that the whole sum of 1,390 *l.* 15 *s.* 2 *d.* was for compensations payable to Scotch universities, the Comptroller-general, on the 19th October, issued the sum which he had under a misapprehension withheld on the 9th.

On

On the 19th October a warrant was transmitted to the Comptroller-general of the Exchequer, directing the issue of the credit for the salaries charged on the Consolidated Fund for the quarter to the 10th October, in which Mr. Romilly's quarterly salary was included as in the warrant of the preceding quarter. On this occasion the Comptroller-general stopped the issue of 75 *l.* only out of the credit ordered, instead of 375 *l.*, having discovered the error he had committed on the previous occasion in stopping the *whole amount* of Mr. Romilly's salary.

My Lords will only observe in reference to these proceedings, that the course pursued by the Comptroller-general has been somewhat irregular. In the first place, if it was right to stop the credit for Mr. Romilly's salary, it should have been done on the 8th July, when the first issue was made for the salary of the quarter to the 5th July. Secondly, The Comptroller-general was not warranted in stopping the credit of 1,390 *l.* 15 *s.* 2 *d.* ordered on the 7th October for the payment of the Scotch universities, as no part of it was required to pay the salary of Mr. Romilly. Thirdly, He was also irregular in stopping the whole amount of the salary assigned to the Chairman of the Audit Board, inasmuch as he has admitted in his letter of the 20th October, that 75 *l.* only was the sum which he was authorised to withhold. Fourthly, The Comptroller-general was also under a misconception in concluding that the additional salary to Mr. Romilly was granted by letters patent, such addition having on this and previous occasions been authorised by Royal Warrant.

My Lords being of opinion that the form of registering such instruments at the Exchequer was wholly unnecessary for any purpose of control or check, that the practice was one which had originated under a totally different mode of conducting the public business, when the Exchequer itself was the office of payment, and that there was no express direction in the Exchequer Regulation Act which would interfere with the adoption of a more simple regulation, and being convinced moreover that the right which the Comptroller-general claimed of stopping the salaries of public functionaries on a mere question of form, although they might be in strict accordance with the amounts authorised by Act of Parliament, was calculated to lead to great inconvenience to the public service, my Lords considered it their duty to call upon the Comptroller-general to reconsider the authority under which he acted. My Lords proceed to take into consideration the Comptroller-general's reply, dated 31 October 1854.

My Lords do not consider it necessary to make any other remark upon the lengthened statements in that letter, which are intended to prove that the practice of registering warrants of appointment in the Exchequer is of old standing, and that it existed under the old constitution of the Exchequer when it was the office of payment, inasmuch as my Lords did not dispute the existence of the practice, but only questioned the necessity for continuing it.

The Comptroller-general states that he has declined issuing the credit for Mr. Romilly's salary, on the ground that he is not "satisfied" by the evidence before him that the salary *is duly authorised by law.*

Upon this my Lords have only to repeat that the Act 46 Geo. 3, c. 141, authorises the payment of 1,500 *l.* a year to the Chairman of the Audit Board, and that Mr. Romilly's appointment to that office has been certified to the Comptroller-general, in a warrant dated the 6th July 1854, under the signatures of two members of this Board.

Moreover, as the salary is the same as that which the Comptroller-general has invariably issued for that office, they cannot understand why he should entertain any doubt that it is authorised by law. The production of a further document (the warrant of appointment), which also emanates from this Board, could answer no other purpose than that of unnecessarily multiplying the forms of public business, without adding in the smallest degree to the security of the public. My Lords are of opinion that as the Comptroller-general is not responsible for the individual payments which are conducted under the authority of Parliament in another office, nor for the audit of such payments, which Parliament has also specially provided for in another department, the production of such vouchers at the Exchequer is wholly unnecessary. The Comptroller-general might with quite as much reason call for proof of life before he advanced the money required to pay annuities and pensions, he might ask for evidence as to the issues directed for the payment of the interest of the debt, the stock cancelled by the Commissioners for the Reduction of the National Debt by the Sinking Fund, by interest of donations and bequests, and by annuities granted. For all these large issues the Comptroller-general accepts the warrant of this Board, and he does not require the production of other vouchers to satisfy him that the charge is authorised by law.

The detailed examination of such changes of payment is assigned by Parliament to the Commissioners for Auditing the Public Accounts, to whom the vouchers in support of them are produced.

His Lordship states that it is impossible to disregard the evidence of antecedent usage in his office, and that "*usage*" is expressly continued and confirmed by the Act of 1834, regulating the Exchequer; and he quotes, in support of his views, the Report of the Commission upon which that Act was founded.

My Lords find, however, on reference to that Report, that the Commissioners expressly recommended the simplification of the Exchequer forms, which is all that my Lords have been desirous of accomplishing; and that the Commissioners never contemplated the continuance of those forms which belonged to the old Exchequer, when it was an office of payment.

As my Lords, in their Minute of the 2d instant, have fully commented on a similar argument used by the Comptroller-general in his letter of the 30th December 1854, in reference to the form of issuing duplicate Consolidated Fund Warrants, they need not pursue the subject here.

Appendix, No. 9.

My Lords do not doubt that the Comptroller-general will agree with them in considering that multiplied records of the same instruments in different offices are not required for the protection of the public.

Taking, as an example, patents of appointments, full or abbreviated entries of which are made in the Patent Office, the Home Office, the Treasury, and the Audit Office, my Lords cannot admit the necessity for making further copies *in extenso* in the Exchequer. All these records may, no doubt, be justified by the ancient usage of each department; but my Lords would fail in their duty to the public if they did not make an effort to reduce them to the number indispensably required for the safe conduct of the public business; and they consider that where appointments are certified to the Comptroller-general in the issuing warrants under the signatures of two members of this Board, the transmission of patents and warrants of appointment to and from the Exchequer, with the attendant registry of letters in both offices, may be safely dispensed with; and they rely with confidence on the cordial co-operation of his Lordship in establishing this arrangement for the future.

Transmit copy of this Minute to the Comptroller-general of the Exchequer for his information.

(signed) *J. Wilson.*

My Lords, Exchequer, 22 March 1855.

Comptroller-General to Treasury, 22 March 1855.

I HAVE the honour to acknowledge the receipt of your Lordships' letter of the 6th March, enclosing the Treasury Minute of the same date, written in reply to my letter of the 31st October 1854.

The subject to which it relates, namely, the production and registration at this office of patents, warrants, and other instruments, whereby many charges become payable, is of the utmost importance as regulating the functions of my department. I respectfully contend for the maintenance of the invariable practice of this department, not only on the grounds of expediency, but of strict legal obligation. Your Lordships appear to claim a power by your own authority of setting this aside; I contend that I possess by law, as vested in me, the powers and authorities of the late Auditor and Clerk of the Pells, save so far as they are controlled, diminished, or varied by the Exchequer Act, 4 & 5 Will. 4, c. 15, s. 4; this your Lordships controvert as strongly as I very respectfully affirm. This issue I presumed to resist upwards of four months back, during which time the practice of the Exchequer has been in conformity with my view of the law, and has been acquiesced in by your Lordships, and if I am now compelled again to resume the subject, and to trouble you again with a reference to arguments and authorities which seem to me final, binding my judgment absolutely, it is because your Lordships have in your Minute of the 6th instant reopened, and compelled a reconsideration of the question.

Comptroller's powers, 4 & 5 Will. 4, c. 15.

Exchequer usage.

In my letters of the 31st October, as well as in that of the 20th instant, I have dealt with the question of usage as guiding me in my official duties; to those letters I respectfully refer your Lordships, to avoid the necessity of repeating the arguments I there urged, and to which I shall adhere, unless it be shown by a legal decision, or by the authority of Parliament, that I am in error in seeking to maintain the regulations, not merely of the ancient Exchequer, but as confirmed and enforced by the Act remodelling and constituting my office (4 & 5 Will. 4, c. 15), by the necessity and expediency of the case, and by the repeated Minutes of the Treasury, passed since the 11th October 1834.

Applied to Record of Patents, &c.

I shall now pass by the general question of the force and authority of usage, and shall apply myself exclusively to the question of the production and registration at the Exchequer of Patents, Warrants, and other instruments creating rights of money payments, for which I humbly contend, and which your Lordships have denied in the following words:

"My Lords being of opinion, that the form of registering such instruments at the "Exchequer was (1.) wholly unnecessary for any purpose of control or check; that the "practice (2.) was one which had originated under a totally different mode of conducting "the public business when the Exchequer was the office of payments, and that there is no "express direction (3.) in the Exchequer Regulations Act, which would interfere with the "adoption of a more simple regulation, &c. &c., * * My Lords consider that where "appointments (4.) are certified to the Comptroller-general in the issuing warrants under "the signatures of two members of this Board, the transmission of patents and warrants of "appointment to and from the Exchequer, with the registry of letters in both offices, may "be safely (5.) dispensed with."

Permit me, my Lords, in all humility, to make a few remarks on the principles laid down in this Minute, which appear to me erroneous in fact and in law.

Production of Patents, &c., absolutely necessary for Exchequer control.

(1.) I respectfully contend that the production of these patents, &c., according to immemorial usage, is absolutely necessary for the purposes of control and of check. Accept as an example, the 46 Geo. 3, c. 141, for the establishment of the Auditors. By that, varied by subsequent statutes, the number of the Auditors is fixed. The mode of their appointment and of making the grant of their salaries, is fixed by the statute; in both cases it is to be by patent. Nor is this a matter of form, but of substance. These officers are to be named during good behaviour, and the appointment by patent is therefore specifically set forth to secure them in the permanence of office and of emoluments. A revocable instrument would be not only inconsistent with, but contrary to, law. Hitherto that patent, as well as all patents for the highest judicial appointments, have been produced and registered here before

before payments are sanctioned at the Exchequer. Before I can give effect to your Lordships' issuing warrant, I must be satisfied that the party to whom the payment is to be made is entitled to receive it; that is, that the law has been complied with, by his appointment by patent granting the salary, not exceeding the specified legal amount. In this case your Lordships will see that the production of the patent, according to the established usage, is absolutely necessary to enable me to exercise my powers of check and control. On this ground, I consider the ancient usage must be adhered to. Your Lordships' warrant for payment, though conclusive after the warrant has been produced and registered, is, before the completion of that essential form, insufficient and inconclusive. I therefore cannot abandon the accustomed usage. Appendix, No. 9.

(2.) Your Lordships state that the practice of producing and registering such patents, warrants, &c., originated in times when the Exchequer *was the office of payment*, which at present is not the case. I humbly submit that the real question is not the origin of this usage, but its present force and authority. But your Lordships will be pleased to remember that in the ancient Exchequer these instruments were produced and registered, not at the Tellers' office of *payment*, but with the Auditors and Clerk of the Pells, the officers of control. It is for the purpose of checking and controlling the issues, and precluding the possibility of an issue contrary to law, that these instruments were produced and registered with the Auditors and Clerk of the Pells. The powers and authorities of the Auditor and Clerk of the Pells are now by statute transferred to and invested in me (4 & 5 Will. c. 15, s. 4.) I require the production of these instruments to satisfy me that a given issue is demanded according to law, the Auditor and Clerk of Pells required them for the same purpose; and I therefore hold that their production cannot now be dispensed with. Practice in old Exchequer.

(3.) Your Lordships state that there is no *express* authority in the 4 & 5 Will. 4, c. 15, which interferes with the adoption of a simpler form, and you propose to effect this by substituting for the primary and conclusive evidence of the Royal Patent of Appointment *a warrant of payment* under the hands of two members of your Lordships' Board; from which not only I am bound to infer the appointment, but to conclude that it has been made *modo et formâ* to give it full legal validity. Though eager to adopt the views of your Lordships, where I can do so according to my sense of the plain meaning of the law, I cannot do so in an instance where you are disposed to recommend the discontinuance of primary and the substitution of secondary evidence. Authority of Exchequer Act. Primary, not secondary, evidence required.

(4) and (5.) Your Lordships might direct the payment of a specified sum to an auditor; but if that auditor be not appointed, and his salary granted by patent, the issue would be contrary to law, and, as such, ought to be withheld by me. Of these facts your Lordships' warrant for payment is no evidence at all, unless indeed your Lordships' official statement is to supersede all the authorities with which I am charged, and for which my office was constituted.

But your Lordships must indulge me with your attention somewhat further, in order that I may prove to you conclusively that the practice which, I contend, it would not be lawful to abandon, comes under the express authority of the Exchequer Act. Contrary to the opinion your Lordships have expressed, I beg to call your Lordships' further attention to the 8 & 9 Will. 3, c. 28, an Act referred to in the Report of the Royal Commissioners of 1831. That statute was passed "*for the better observation* of the *course anciently used* in the "receipt of the Exchequer, and the good, sure and regular methods established, enacted or "appointed to be observed and kept by the respective officers and ministers of the said "receipt, in all matters concerning receipts, payments or other business to be there "transacted or performed." This, your Lordships will see, is a statute confirming and perpetuating what, a century and a half back, was the *ancient* usage of the Exchequer. In this statute your Lordships will find the following words:—"The said Auditors of the "Exchequer shall from time to time duly enroll all Letters Patent and Letters of Privy "Seal for issuing the King's treasures, and shall keep entries of them in books to be pro"vided and fairly written;" and the said Clerk of the Pells shall also from time to time "duly enroll or record all Letters Patent and Letters of Privy Seal for issuing the King's "Treasures." Old Exchequer Act, 8 & 9 Will. 3, c. 28.

This statute does not create, but confirms the course "*anciently used*" in the Exchequer, by which Letters Patent were entered and enrolled.

This subject was again considered in 1800, as appears from the First Report on the Public Records (ordered to be printed, 13 March 1801), pp. 127. 131. Record Report, 1800.

Return from Auditors. "He enters Patents, Privy Seals, Sign Manuals and other "Instruments appointing issues to be made from the Exchequer." Amongst the books in the auditor's possession are the "Patent books from the year 1619 to the present time."

(signed) *Robert Jennings.*

Return from the Clerk of the Pells:

"Patents, Constitutions, Sign Manuals, Privy Seals and other Instruments connected "with the receipt or issue of the Exchequer, are recorded in vellum books, and preserved "in the Pells-office." "The Record of Patents, &c., and of such other instruments as "under the Great or Privy Seal authorise the issue of money, are in regular series from the "time of Queen Elizabeth."

(signed) *Ed. Roberts*, Dep. Clk. Pells.

This

Appendix, No. 9.

Report of Finance Committee, 1807.

This usage was invariable and unchanged at the time of the Report on the Exchequer in 1831. The Commissioners had before them the Report of the Finance Committee (20 July 1797). In A. pp. A. 4, p. 28, the *duty of the Clerk of the Pells is described as follows:*

"He enters and records all the Letters Patent, Privy Seals, Signs Manual, Treasury "Warrants, or other Instruments by which issues of money are authorised to be made in "the Exchequer, and it is his duty to check each issue when transmitted to him by the "Auditor, and to withhold the record, without which the teller cannot make payment until "he has satisfied himself that such issue is duly authorised."

(signed) *E. Roberts,* Dep. Clk. Pells.

Duty of Auditor.

A. 5, pa. 29.

"In his office are entered all Letters Patent, Privy Seals, and Signs Manual, Treasury "Warrants, &c., directing the issue of money, as also of *all instruments* entitling the dif- "ferent persons to receive same, and it is his duty to take care that none are paid without "the proper authorities."

(signed) *R. Jennings,* 1st Clk. Exch.

B. 1, pa. 51.

Report of Exchequer Commission, 1831.

In the Auditor's office the Clerk of the Registers and Issues regularly enters patents, appointments, resignations and grants of places of all kinds. "The evidence of the Right "honourable Sir H. Ellis, as Clerk of the Pells, and of Mr. Grosvenor Bedford, as Deputy "Auditor to the late Lord Grenville, will be found in the proceedings, before the Royal "Commission of 1831, and has been recited in my letter to your Lordships, 31st October "1854 (1), to which I beg leave respectfully to refer you, only extracting the following "important passages."

The learned and accurate Mr. Bedford states, "The entry in the official books of the "Auditor of Grants, such as Sign Manual Warrants, Letters Patent and *every other document* "by which any salary, allowance or pension may periodically or permanently be made pay- "able at the Exchequer, is performed verbatim from the originals;" and Sir H. Ellis adds to the like effect, "All Patents, Constitutions, Appointments, Sign Manual Warrants are entered "in the Patent Book, verbatim, and a record made on each, to which the clerk of the "Pells affixes his signature." I have thus demonstrated to your Lordships what has been the unvaried usage from the reigns of the Tudors to the year 1834. I have shown your Lordships what has been the *usage* especially in the offices of the late Auditor and Clerk of the Pells.

Recapitulates usage.

I show you by section 4, 4 & 5 Will. 4, c. 15, all powers and authorities possessed or exercised, either by law or *usage,* are now transferred to and vested in me, unless inconsistent with that Act. I point out to you that the usage in question is strictly in conformity with that Act, and I respectfully inform you, that unless it be adhered to, my duties of control cannot be performed, nor the legality of the issues I am called on to make be ascertained, nor the intentions of the Legislature be realised (4 & 5 Will. 4). It is, however, suggested, as I have already stated, that the production and record of these instruments at the Exchequer may be safely dispensed with, because the Exchequer is no longer an office of payment. Your Lordships will, however, remember that these instruments were never produced or registered at the Teller's Office, which was the office of payment, but with the Auditor and Clerk of the Pells, who, like myself, were officers of check and control. They, *as I now am,* were bound to refuse the issue or the sanction of any Treasury demand of the legality of which their minds were not satisfied.

These original documents were required to satisfy the ancient check and controlling officer, and they are equally essential, and indeed indispensable, to satisfy me.

Exchequer practice since 1834.

The propriety and justice of this decision will be put beyond dispute by a reference to the practice since October 1834, the period of the enactment of the 4 & 5 Will. 4, c. 15. Had this practice of producing and registering patents and similar instruments depended on the ancient law only, or on the fact that the payments were made at the Exchequer, it would follow that it would have been discontinued by your Lordships' authority, and by mine.

Examples.

Treasury Boards.

Royal Annuities.

The contrary is the case, patents, warrants and signs manual have continued to be produced and registered to the present moment. The latest example is the patent appointing Viscount Palmerston First Lord of the Treasury, Sir George Cornewall Lewis Chancellor of the Exchequer, and Lord Duncan, Lord Monck and Mr. Fortescue, Junior Lords. From the highest instances of the exercise of the authority of the Crown in the cases of the Royal annuities to the late Queen Dowager, his Royal Highness Prince Albert, and his Royal Highness the Duke of Cambridge, to the smallest pension on the Civil List, the same usage has been adopted uniformly.

Judges.

It has received the sanction of the highest judges in law and equity to the present time, who have themselves complied with the usage of the Exchequer in their own cases, which if they had not done, I should not have felt myself at liberty to issue their salaries.

It is not, then, for an obolete usage that I contend, it is for one continued to the year 1855. It is not for a usage unsupported by evidence, but one which has been traced to the usage of Elizabeth.

It is not a usage unsupported by the statute law, for it is recognised and confirmed in the statute of Will. 3, and transferred to and vested in me by 4 & 5 Will. 4, c. 15, s. 4.

It

It is a usage adopted also, and extended to all minor cases in different parts of the united empire by your Lordships' minutes of later dates, all subsequently to the enactment of the existing Exchequer Regulating Act. I refer especially to Sir C. Wood's minute, 24 December 1850, and Sir C. Trevelyan's letter of 17 September 1851, and the antecedent minute, 12 September 1851, and to the Treasury letter on the Scotch cases, 28 September 1854.

I might very easily refer to the various occasions on which, probably from press of business and necessity of despatch, your Lordships' minutes have been found irregular, and incapable of being carried into effect; but as these must be as well known and familiar to your Lordships as to myself, I abstain from doing so, unless your Lordships should desire the list to be made out and brought before you. It is quite sufficient to prove that the substitution of a mere warrant of payment in the room of the letters patent, signs manual, and warrants of appointment, would deprive the public of a security against irregular issues, which, under the present legal system of the Exchequer, is provided.

Should your Lordships consider that I have misinterpreted the statute under which I act, or overstepped the authority confided to me, there are obvious methods for bringing the question to issue; and in such case I should suggest, that, in order to enable the Houses of Parliament, to whom I am made responsible, to judge how far my duties to them have been performed, the whole of this correspondence should be presented both to the Lords and Commons.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Lords of the Treasury.

Exchequer, 23 March 1855.

My Lords,

In my two letters of the 20th and 22d instant, I have dealt with the two grave questions which your Lordships have raised, and on which it is my fortune to differ absolutely, though most respectfully, from the principles laid down in your Lordships' minutes of the 27th February and 6th March. I allude to the legal force of the accustomed usage in this department, and to the necessity of producing and registering at the Exchequer letters patent and instruments of grant.

Comptroller-general to Treasury, 23 March 1855.

For greater clearness, I have reserved for this separate letter the question respecting Mr. Romilly's appointment as Chairman of the Board of Audit, and his increased salary, as discussed in your Lordships' minute of the 6th March, a question I cannot pass over without an apparent disrespect to your Lordships, which I should much regret to evince.

I shall not repeat any of the arguments urged in my letters of the 20th and 22d, which, however, involve the principle of Mr. Romilly's case. For the present I shall only add some observations which apply to it specifically.

I hold registered in this office an appointment, by letters patent, of Edward Romilly, Esq., as a member of the Board of Audit, at a salary of 1,200*l.* This patent bears date 19th February 1836. I have another patent for the appointment of Colonel Maberly, dated 9th day of May 1854, in which the appointment of Mr. Romilly is stated, continued at the same salary of 1,200*l.* This is the latest Audit-office patent.

On the July 1854, I received a Treasury warrant for payment, signed by two Lords of the Treasury, including Mr. Romilly's salary among other charges on the Consolidated Fund. The mention made of Mr. Romilly is as follows:—

"Edward Romilly, Esq., chairman, 1,500 *l.* per annum." £.375 per quarter.

On that occasion the Treasury clerk attending to compare the charges on the Consolidated Fund was required to produce the appointment of Mr. Romilly as chairman, with a salary of 1,500*l.* per annum. He stated, in reply, that the instrument of appointment was in the possession of the Treasury, and should be transmitted subsequently. On this engagement, which there was every reason to believe would be fulfilled, the charge of 375*l.* for the quarter's salary was agreed on.

Though more than once the instrument has been applied for, it has not been produced.

No other document, showing either the specific appointment as chairman, or the increase of salary from 1,200*l.* to 1,500*l.* a year, has been laid before the Exchequer; but the quarterly warrants for payment transmitted in the months of October and January have included the larger sum as payable to Mr. Romilly, under the designation of chairman.

The warrant including Mr. Romilly's salary is one of a much larger amount, extending to 48,612*l.* 6*s.* 1*d.*, comprehending not only the salaries of the Auditors, but those of the Mint Department, of the Speaker, the Inclosure Commissioners, the Commissioners of the National Debt, compensation to the Scotch Universities, &c., &c., &c. The issuing letters from the Treasury on which credits were issued on account of the warrant did not recite to which of these specific heads of charge the issues were applied, but a sum was still left in my hands unissued of 1,390*l.* 15*s.* 2*d.* more than sufficient to cover the 375*l.* of increased salary of Mr. Romilly, for which no authority had been produced, though frequently pressed for, as I have already stated.

When this balance of 1,390*l.* was asked for, I felt it right to bring what I considered to be an irregularity to immediate issue, and I suspended accordingly a sum equal to 375*l.*, the quarter's salary. I was informed by your Lordships that Mr. Romilly's full salary had been already paid, though the authorities that have been required to sanction that payment had

Appendix, No. 9.

had not been communicated to the Exchequer, as promised to be done; and that the 1,390 *l.* 15 *s.* 2 *d.* then required was a compensation for the Scotch Universities, with which the point in controversy had no concern.

I of course issued that credit without delay, being aware that it would be open to me to raise the same question effectually in the next quarter.

This I have accordingly done, and considered that in doing so I complied with my strict duty. Such are the facts of the case. I proceed to consider the law.

The Auditors are appointed under the 46 Geo. 3, c. 145, with important duties of inquiry, as well as of a judicial character.

By section 1 the Crown is authorised by letters patent, *under the Great Seal*, to appoint the Auditors, *who shall hold their office during good behaviour.*

By section 2 the Crown *may by such letters patent* grant to the persons named the following salaries and allowances: to the person first named, who shall be chairman, a salary of 1,500 *l.*, and the Commissioners a salary of 1,200 *l.* each.

I have in my possession a copy of the original patent appointing Mr. Romilly, dated 19th day of February 1836, and assigning to him a salary of 1,200 *l.*

I have also in my possession a patent appointing Colonel Maberly an Auditor, at a salary of 1,200 *l.*, and reciting Mr. Romilly's appointment, at a salary of 1,200 *l.* likewise

No instrument of appointment as chairman, or no instrument granting a higher salary than 1,200 *l.* has been produced, though frequently required.

Your Lordships will see on reflection that mere Treasury warrants for payment cannot be justly taken as instruments of appointment, If they were once admitted, your Lordships' warrant would be put forward as of equal force with letters patent under the Great Seal, and as claiming equal authority. Your warrant might in the same way supersede the Royal Sign Manual, an Order in Council by Her Majesty, or similar instruments. It cannot even be rightly designated as a certificate of appointment. It is a warrant of payment and no more; and of the legality and validity of that warrant the law directed me to satisfy myself before making or directing the issue.

Your Lordships are pleased, however, to inform me for the first time on the 6th March, that the additional salary has been granted to Mr. Romilly by a *Royal warrant*, and not by letters patent. Since the objection to this payment was first made your Lordships are aware that the existence of such a Royal warrant was never signified to me, still less had been tendered or produced in support of Mr. Romilly's claim. Your Lordships state it was a misconception of mine to suppose that the grant was by letters patent, and I was willing to assume, till informed to the contrary, that the law had been complied with, but if the grant has been made otherwise it is evidence that the law has been set aside; nor is this a matter of indifference. The principle of the 46 Geo. 3, c. 141, was to secure the judicial independence of the Auditors. For this purpose the Act requires that they shall be appointed by patent under the Great Seal, that they shall hold for life, and that their salaries shall likewise be granted to them by such letters patent. I need not point out to your Lordships' experience and high intelligence the difference of title conveyed by letters patent under the Great Seal and a mere warrant. If it be lawful to grant the 300 *l.* additional salary to Mr. Romilly by a lower and less assured title than that wisely directed by the statute law, the whole of his salary and the salaries of his colleagues might be so granted, and striking at the security and independence which it was the policy of the law to establish. Indeed, the same course might be taken and justified in respect to other salaries in which the grant is now legally set forth in the patents of appointments, or indeed to justify the substitution of a warrant of appointment for the patent.

I therefore respectfully submit that having before me the record of letters patent, granting to Mr. Romilly the salary of 1,200 *l.*, *and no more*, it is not competent to me to grant a credit on the Consolidated Fund for the higher *sum of* 1,500 *l.* until some sufficient authority is produced, in conformity with the 46 Geo. 3, c. 141, to grant the sum of 1,500 *l.* annually.

I have, &c.
(signed) *Monteagle*,
Comptroller-general.

The Lords of the Treasury.

Mr. Romilly to Comptroller-general. 13 June 1855.

My Lord, Audit Office, 13 June 1855.

In accordance with the direction of a Treasury Letter of yesterday's date, I beg leave to transmit my patent as one of the Commissioners of Audit, and the Royal Warrant by which I was appointed Chairman of the Board.

I have, &c.
(signed) *E. Romilly.*

The Right Hon. the Lord Monteagle,
&c. &c. &c.

Treasury to Comptroller-general, 14 June 1855.

My Lord, Treasury Chambers, 14 June 1855.

I am commanded by the Lords Commissioners of Her Majesty's Treasury to state to you, with reference to the subject of your letter of the 23d of March last, that Mr. Romilly has been requested to transmit to your Lordship the patent by which he is appointed a Commissioner of Audit, as well as the warrant under the sign manual, in virtue of which the additional salary of 300 *l.* a year, granted by the provisions of the Act of 46 Geo. 3, c. 141, is payable to him as Chairman of the Board; and I am to request that your Lordship will inform the Lords Commissioners whether you have any further observations

to

to offer on the insufficiency of the warrant under the sign manual, by which, according to established usage, the additional salary in question has been granted, in order that they be submitted for the opinion of the law officers of the Crown. Appendix, No. 9.

I am, &c.

The Right Hon. the Comptroller-general of Her Majesty's Exchequer. (signed) *C. E. Trevelyan.*

Exchequer, 20 June 1855.

My Lords,

I HAVE the honour to acknowledge your Lordships' letter of the 14th instant, in reply to my communication of the 23d March, on the subject of Mr. Romilly's appointment, and the grant of his additional salary of 300 *l.*, as Chairman of the Board of Audit. Comptroller-general to Treasury, 20 June 1855.

I have also to report to your Lordships that agreeably to your Lordships' request, Mr. E. Romilly has transmitted to me the patent under which he was originally appointed Commissioner of the Board of Audit, together with the sign manual warrant appointing him Chairman of the Board, and granting him an additional salary of 300 *l.*, under the provisions of the 46 Geo. 3, c. 141, ss. 3 and 6.

The patent, bearing date the 19th of February 1836, had already been produced, examined and registered in this department on the 10th March 1836, agreeably to the uniform usage; the sign manual warrant, dated 20th day of April 1854, is now, for the first time, brought under my consideration. It has been examined and entered at the Exchequer in the accustomed manner.

Your Lordships do me the honour of expressing your desire that I should inform you whether I have any further observations to offer on the insufficiency of the warrant under the sign manual, appointing Mr. Romilly as chairman, and granting to him the additional salary of 300 *l.*, in order that such observations may be submitted for the opinion of the law officers.

In reply, I beg leave to state what is the view I have taken of the true construction of the 46 Geo. 3, c. 141, and of the two sections, 3 and 6, which govern this case.

By the section 2 the appointment of the Commissioners and their tenure of office is regulated, the first being by letters patent, and the second during good behaviour. By section 3, the Crown is empowered "*by such letters patent*" to grant to the Commissioners certain specified salaries, that is to say, "to the person first named, who shall be chairman, "1,500 *l.*, and to the other Commissioners 1,200 *l.* per annum," each. The section 6 must, however, be considered in conjunction with the sections already cited. It provides for the case of the vacancy in the office of chairman by death, resignation, or avoidance, and empowers the Crown from time to time to nominate and appoint such other of the said Commissioners as the Sovereign shall select to be chairman, and to grant to such chairman a salary of 1,500 *l.* in the whole. Such are the enactments.

The facts are few and simple; Mr. Romilly was appointed a junior Commissioner of Audit by letters patent, dated 19th day of February 1836, assigning to him a salary of 1,200 *l.*, the enactments of the section 2 and section 3 being thus strictly complied with. By a Royal sign manual warrant, dated 20th April 1854, and countersigned by Lord Aberdeen and Mr. Chichester Fortescue, it is recited that a vacancy in the office of chairman of the Board of Audit had taken place by the resignation of Sir William Herries, and that Her Majesty had been pleased to nominate Mr. Romilly to such office of chairman, and to grant to him a yearly salary of 300 *l.* "which sum shall be paid at the same "time, and in the same and like manner as his salary of 1,200 *l.* granted by the letters "patent," previously recited, and which had been entered and examined in this office.

The inquiry which your Lordships make from me raises the question, whether this appointment of Mr. Romilly is such as to comply with the enactment of the 46 Geo. 3, c. 141, so as to warrant me in raising a charge on the Consolidated Fund.

There could be no possible doubt on the subject if the new grant had been made by letters patent in the precise terms of the section 3. It would be a manifest departure from the whole object and policy of the Act if the additional salary of 300 *l.* granted by the Sign Manual Warrant was held by any title less permanent than that of 1,200 *l.* granted by the letters patent. The independence of the officer who held during good behaviour, would obviously have been affected by such mode of appointment; but on considering the words of the Royal Sign Manual Warrant, now for the first time laid before me, it appears that the provision making the salary of 300 *l.* payable "at the same time, and in the same and like manner," with the salary granted by the patent therein set forth and recited, conveys to Mr. Romilly the same title to both, and that the grant, though not by patent, nor stated expressly to be made during good behaviour, may rightly be construed as so granted and held.

On this ground I consider the appointment and grant to justify the charge on the Consolidated Fund, and all future issues. Should your Lordships, however, differ from me, and consider the grant as held not permanently and during good behaviour, but as held during pleasure, and liable to revocation, it would be expedient to submit this letter for the opinion of the law officers, and in the event that they should doubt the regularity of the grant of 300 *l.*, it might be necessary to direct the issue of a patent under the Great Seal, a course for which, as I have already stated, I see no necessity.

I have, &c.

The Lords Commissioners of Her Majesty's Treasury. (signed) *Monteagle,* Comptroller-general.

My Lord,

Appendix, No. 9.

Treasury to Comptroller-general, 25 June 1855.

My Lord, Treasury Chambers, 25 June 1855.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship, with reference to your letter of the 20th instant, that as you are of opinion that a Royal Warrant is a sufficient authority for the issue of the additional salary of 300 *l.* a year to the Chairman of the Audit Board, and as my Lords concur in that opinion, they have desired that the usual letter of direction for the issue of 75 *l.* to Mr. E. Romilly for the quarter to 31st March last, may be forthwith sent to you.

I have, &c.

The Comptroller-general of the Exchequer. (signed) *C. E. Trevelyan.*

(No. 41.)

Issue suspended for P. Shaw's Salary.

Exchequer to Comptroller-general, 27 December 1854.

My Lords, Exchequer, 27 December 1854.

I HAVE the honour to acknowledge your Assistant Secretary's letter of yesterday's date, desiring me to authorise the issue out of the general fund of the Exchequer of a sum of 27,516 *l.* 17 *s.* 2 *d.*, for the payment of certain charges on the Consolidated Fund included in your Lordships' warrant of the same date, and particularised in the Schedule from the Lord Treasurer's Remembrancer's Department, also transmitted to me by your Lordships.

The charges have been carefully examined in this department, and are correct, and warranted by law, with the exception of one single payment, which stands in need of further explanation. I allude to the payment of 216 *l.* 6 *s.* 1 *d.* to Mr. Patrick Shaw, Sheriff of Chancery, whose annual *salary is stated to be* 500 *l.* under 17 & 18 Vict. c. 72, and the sum of 216 *l.* 6 *s.* 1 *d.* is stated in the Schedule to be payable to the 31st December 1854.

But by your Lordships' warrant of the 21st September 1854, a sum of 267 *l.* 8 *s.* 7 *d.* was authorised for Mr. Patrick Shaw, stated to include arrears due to 1st July 1854; and by your Lordships' subsequent warrant, dated 28 November 1854, a further sum of 407 *l.* 8 *s.* 7 *d.* at 400 *l.* per annum, from June 1853, was also authorised. If then by these two warrants of September and November the preceding arrears were paid, it is not explained how 216 *l.* 6 *s.* 1 *d.* can be payable on the quarter to 31st December 1854.

Requesting further information on this point, I have issued a credit for 27,300 *l.* 11 *s.* 1 *d.*, suspending the issue of 216 *l.* 6 *s.* 1 *d.* from the warrant of 27,516 *l.* 17 *s.* 2 *d.* till the information necessary to authorise it is produced.

I have, &c.

The Lords Commissioners of Her Majesty's Treasury. (signed) *Monteagle,* Comptroller-general.

Treasury to Comptroller-general, 13 February 1855.

My Lord, Treasury Chambers, 13 February 1855.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship, with reference to your letter of the 27th December last, on the subject of the arrears of salary due to Mr. Patrick Shaw, Sheriff of Chancery in Scotland, that the explanation received from the Queen's and Lord Treasurer's Remembrancer in Scotland, of the charge on the Consolidated Fund for the quarters, ending 30th September and December 1854, for the above salary is as follows, viz.:

1st. That on the passing of the Act 17 & 18 Vict. c. 72, on the 31st July 1854, for the future regulation of the office of Sheriff in Chancery, the Queen's and Lord Treasurer's Remembrancer considered that the issues previously made to him, on account of that officer's salary, and which had not been paid to him, were cancelled, and that he therefore retained the amount (407 *l.* 8 *s.* 7 *d.*), intending to remit the same to the Exchequer, with other unappropriated monies.

Upon this understanding Mr. Henderson made provision in his schedule for the quarters to the 30th September and 31st December 1854, for the following sums, in conformity with the provisions of the Act, 17 & 18 Vict. c. 72, viz.:

	£.	*s.*	*d.*
Arrears due to 30 June 1853, at 400 *l.* per annum -	7	8	7
Ditto - 31 March 1854, less 240 *l.* paid out of fees.	60	–	–
Quarter to 30 June 1854 - - - - -	100	–	–
Ditto - 30 September 1854 - - - -	100	–	–
Ditto - 31 December 1854 - - - -	100	–	–
Arrears of additional 100 *l.* granted by the Act, from 1 November 1853 to 31 December 1854.	116	6	1
£.	483	14	8

I have to state that my Lords have, however, informed the Queen's and Lord Treasurer's Remembrancer, that the issues made prior to the passing of the Act 17 & 18 Vict. c. 72, should not be retained by him until he remits other unappropriated monies, but that the sum of 407 *l.* 8 *s.* 7 *d.* should be specially remitted to the Exchequer.

To Comptroller-general of the Exchequer.

I have, &c.

(signed) *C. E. Trevelyan.*

(No. 42.)

Appendix, No. 9.

PRECIS of CORRESPONDENCE on Royal Order, dated previously to passing of Act, and their Illegal Correction.

Corr. Book 9, p. 80	6 March 1855 -	- Comptroller-general to Mr. Wilson.	- - Returns four Royal Orders and Treasury Warrants issued for excess of expenditure, Navy, &c. 1855, all dated five days before Ways and Means Act received the Royal Assent. Irregular to make issues upon them under other Ways and Means, which are applicable only to Votes of *last Session*; loses no time that mistake may be remedied as soon as possible.
- -	7 „ „ -	- Mr. Wilson to Comptroller-general.	- - Agrees objections are valid. Royal warrants will be returned as soon as corrected.
- p. 81	8 „ „ -	- Comptroller-general to Mr. Wilson.	- - Sorry to give additional trouble in any matter of financial usage. Errors in date of Royal Orders are corrected by erasure with a knife, of *27 Feb.* and substitution of *6 March*. By Treasury Regulations, errors, when properly corrected, require authentication by Secretary's initials; but consequences might be serious if these led to alteration of an instrument affecting its legal validity, after Sign Manual and counter-signatures have been affixed. Refers to similar case in 1841, under Sir R. Peel, consequent on opinion of law officers, when new Royal Order and Treasury Warrant were prepared, reciting the error (*see* Corr. Book 2, p. 325), also to same course under Lord Derby; Corr. Book 7, p. 197; advises its adoption now.
- 9, p. 84	9 March 1855 -	- Mr. Wilson to Comptroller-general.	- - Understands the corrected Royal Orders should be authenticated by Secretary's initials, or new Orders obtained; former course consistent with precedent, and will be much preferable; if new Royal Orders absolutely necessary, must be obtained at some inconvenience.
- p. 85	- „ „ -	- Comptroller-general to Mr. Wilson.	- - Initials of Secretary sufficient for Treasury Warrant, but as to Royal Order, strongly recommends precedents in Sir R. Peel's and Lord Derby's Government to be adhered to; as Chancellor of Exchequer, should never have ventured on possibility of altering Sign Manual Warrant after the Royal Signature had been affixed; believes the Act wholly illegal, and noticeable as such.
- p. 104	10 „ „ -	- Treasury to Comptroller-general.	- - Transmitting four new Royal Orders and Treasury Warrants.

(No. 43.)

Discrepancy in Payments on Account of London Bridge.

Exchequer, 5 May 1856.

Comptroller-general to Chamberlain of London, 5 May 1856.

Sir,

WITH reference to your letter, dated 29 April 1856, requesting to be furnished with the usual certificates of acquittance for payment into the Exchequer of the two sums of 6,000 *l.* due 1st December 1855, and 4,150 *l.* due 1st March 1856, I have to inform you that the "certificates of acquittance" heretofore prepared by this department in acknowledgment of monies paid to the Exchequer account at the Bank of England, have ceased to be furnished to all persons making such payments under the authority of a Treasury Minute, dated 25th September 1855, founded on the Act of 18 & 19 Vict. c. 96, s. 1. At the same time I am led to remark, that there is a material discrepancy between the period (viz. 3d December last),

Appendix, No. 9.

last), at which you state the payment of 6,000 *l.* to have been made at the Bank of England, and the date at which it appears to have been placed to the Exchequer account, and I have therefore to request you will inform me to what account and by what authority you made such payment other than in conformity with the bonds given in respect of the advances for rebuilding London Bridge. In a statement of the "Particulars of sums paid "over by the Paymaster-general to the account of Her Majesty's Exchequer at the Bank "of England, on 24th *December* 1855," appears the following and only transaction in the account in question:—

"Rebuilding London Bridge, 7 Geo. 4, c. 40, viz.: Chamberlain of the "city of London, interest on loan of 146,000 *l.*, half year to 10th "October 1855 - - - - - - - - - £. 2,725. 6. 8."

Again, in a similar statement of payments made on the 12*th March* 1856, to my account at the Bank of England, appears the sum of 6,000 *l.*, being the aggregate of repayments on account of rebuilding London Bridge due at the periods ranging from the 26th October 1855 to the 3d January last, and which has been usually paid into the Exchequer in the first week in December. The payment of 4,150 *l.* had already been made to the Exchequer account by "Receivable Order" granted by the Treasury, and dated "Treasury Chambers, "3d March 1856" on the 5th of that month, describing the several sums due in the usual manner under the arrangement of 13th February 1835, alluded to in your letter.

I have, &c.
(signed) *Monteagle,*
Comptroller-general.

Sir John Key, Bart.
&c. &c.

Chamberlain of London to Comptroller-general, 10 May 1856.

My Lord, Chamber of London, Guildhall, 10 May 1856.

I HAVE to acknowledge the receipt of your letter, dated 5 May 1856, in which reference is made to a discrepancy between the period (3 December 1855) at which the payment of 6,000 *l.* was made by me at the Bank of England, and the date at which it appears on the Exchequer account; and in reply thereto, beg to state that I am unable to account for such discrepancy. The payment in question was made by me at the Bank of England at the period above specified, in the usual manner, with the exception that in lieu of receiving the usual certificate from your Lordships' department for payment into the Bank of England, I was furnished with a receivable order from the department of Her Majesty's Paymaster-general, which alteration, I was informed, was in conformity with a Treasury Minute founded on Act of Parliament. I will add that one of the usual forms, containing a specification of particulars, was left at the Treasury, previously to the receivable order being transmitted to me.

With reference to the sum stated in your letter to have been paid over by Her Majesty's Paymaster-general to Her Majesty's Exchequer at the Bank of England, on the 4th December 1855, on account of the Chamberlain of London, I beg to inform you that no such sum was paid by me into the Bank of England at that date; I may state, however, that the sum corresponds with the aggregate of two sums of 1,362 *l.* 13 *s.* 4 *d.* each, paid by me to the Bank of England on the 14th July and the 16th October 1855 respectively, under receivable orders from Her Majesty's Paymaster-general, being for interest on the sums of 116,000 *l.* and 30,000 *l.* charged upon the London Bridge Approaches Fund, by the Commissioners of Her Majesty's Woods, &c., pursuant to Act 13 & 14 Vict. c. 103.

I have, &c.
(signed) *John Key,* Chamberlain.

The Right Honourable Lord Monteagle,
Comptroller-general of Her Majesty's Exchequer,
&c. &c. &c.

Chamberlain of London to Comptroller-general, 7 June 1856.

My Lord, Chamber of London, Guildhall, 7 June 1856.

IT having been intimated to my clerk that a renewed application to your Lordship, with reference to the certificates of acquittance of payments to Her Majesty's Exchequer, usually furnished from your department, would meet with further consideration, I have the honour to refer you to my letter, dated the 29th April last, and to request the favour of your Lordship furnishing me with certificates of acquittance of the payments therein described, made by me on behalf of the Corporation of the City of London, to the credit of Her Majesty's Exchequer, on the 3d December and 5th March last.

I have, &c.
(signed) *John Key,* Chamberlain.

The Right Honourable Lord Monteagle,
&c. &c. &c.

Appendix, No. 10.

DISCREPANCIES, resulting from the altered mode of preparing the FINANCE ACCOUNTS, between those Accounts and the EXCHEQUER BOOKS. Appendix, No. 10.

INVARIABLY, till 5 April 1854, certain Accounts were called for from the Exchequer by the Treasury, to form a portion of the annual Finance Accounts.

In the Finance Accounts of 1853–4, the following Accounts were so made up at the Exchequer, for the year ended 5 January 1854, as in all former years:

No. 41, p. 54.	Monies received into the Exchequer on account of Hereditary Revenues.		
No. 42, p. 54.	„	„	Surplus Fees of Public Offices, &c. (Great Britain).
No. 43, p. 56.	„	„	Ditto - - - - - - - - - (Ireland).
No. 44, p. 56.	„	„	East India Company, for Retired Pay, &c. of Her Majesty's Forces in India.
No. 45, p. 57.	„	„	Imprest Monies repaid by Public Accountants, and other Public Monies (Great Britain).
No. 46, p. 58.	„	„	Ditto - (Ireland).
No. 47, p. 58.	„	„	Bank of England, and Sums issued from the Exchequer to the Bank of England, on account of Unclaimed Dividends, showing the balance.

These Accounts were all Exchequer Accounts, dated from the Exchequer, and signed by the Comptroller-general. They were called for annually by Treasury letter; were transmitted to the Treasury, and presented in MS. to Parliament amongst the other Finance Accounts. When printed, proofs were sent to the Exchequer from the Treasury for correction.

This usual course was also pursued in respect to the Finance Accounts for the quarter ended 5 April 1854, made up at the alteration of the period of these Accounts, and to which it is unnecessary further to allude.

Since the 5th April 1854, no such Accounts have been so called for by the Treasury from the Exchequer, nor has any intimation been given by the Treasury that the usual practice would be discontinued. But in the Finance Accounts for the year ended 31 March 1855, an Account appears containing similar information to that in the seven Exchequer Accounts, in addition to other receipts. This Account is dated from the Treasury and signed by the Secretary, and is headed, "An Account of 'Miscellaneous Receipts' paid into the Exchequer in the year ended 31 March 1855, under the heads hereafter mentioned." Extracts from the Finance Accounts ending 31 March 1855, are appended, marked in *Italics*, so as to show an alteration of the several items, as they are recorded in the Exchequer books, and according to the "actual payments into the Exchequer," by which the various discrepancies will be at once seen. In several cases discrepancies appear in the description of these receipts, in others, in the head to which they are carried; and the general result is, as shown also in the Abstract, that there is a total discrepancy between the amounts received under the several heads of account. For the sake of comparison two Exchequer Accounts are also appended, showing the sums received on account of Surplus Fees of Public Offices, and of Imprest Monies repaid, &c. These Accounts may be compared with the Finance Accounts to March 1855, p. 34 to 38. See pp. 766 to 769.

It should be observed that the heads of Account, to which the several receipts are carried at the Exchequer, have been specially directed by the Lords of the Treasury, who are empowered under s. 6 of the Exchequer Act, to make such regulations as they shall see necessary. The Comptroller-general has no discretion in the matter, but is bound to obey the Treasury directions. His certificates furnished weekly to the Treasury, show in detail the several receipts under their respective heads, and his Quarterly Accounts show the amounts received under those heads, not only for the quarter but for the year.

In page 39 of the Finance Accounts, 1854–5, also appended, appears (No. 27) an Account of Repayments of Advances, &c. This has never appeared strictly as an Exchequer Account, although the several particulars contained in it have been always stated in the weekly and quarterly accounts furnished to the Treasury. The corrections in *Italics* show the errors in this account, as rendered by the Treasury.

No. 26.—AN ACCOUNT of "Miscelaneous Receipts" paid into the Exchequer in the Year ended the 31st March 1855, under the Heads after-mentioned.

SERVICE.	AMOUNTS.	TOTAL.
	£. s. d.	£. s. d.
Duties on Offices and Pensions; viz.:		
On the Duties of One Shilling in the Pound - - -	200 – 1	
„ „ Sixpence in the Pound - - - -	81 11 5	
„ „ Four Shillings in the Pound - - -	2,038 17 2	
		2,320 8 8
Small Branches of the Hereditary Revenues; viz.:		
John Wilkin, Esq., Receiver of Hereditary Revenues, per Act 1 Vict. c. 2 - - - - - - - - - - -	7,700 – –	
The Queen's and Lord Treasurer's Remembrancer, Scotland; Fines and Forfeitures of the Justiciary and Sheriffs' Courts in Scotland - - - - - - - - -	902 8 5	
Paymaster of Civil Services in Ireland, from the Lagan Navigation Company, Rent-charge reserved to the Crown, per Act (Local and Personal) 6 & 7 Vict. c. 104 - - -	300 – –	
		8,902 8 5
Fees of Public Offices; viz.:		
ENGLAND:		
Commissioners for regulating the Offices of the House of Commons; Balance on account of Fees, &c., of the House Commons, under Act 12 & 13 Vict. c. 72 - - - - -	58,251 1 –	
P. Smith, Chief Clerk; Fees received at the Colonial Office -	1 11 6	
H. J. Knyvett, ditto „ „ Home Office -	991 – 8	
J. B. Lennard, ditto „ „ Council Office -	218 – –	
F. S. Thomas, Secretary; „ „ Public Record Office, under Act 1 & 2 Vict. c. 94 - - - - - -	760 8 –	
H. W. Sanders; Fees levied on Irish Instruments at the Home Office - - - - - - - - - - - -	18 18 –	
Whitmarsh F. ~~Whitworth~~, Registrar of Joint Stock Companies; Fees received under Act 7 & 8 Vict. c. 110 - - - - - -	1,425 13 8	
G. Graham, Registrar-general of Births, &c.; Fees received under Acts 6 & 7 Will. 4, c. 86, and 3 & 4 Vict. c. 92 - -	601 12 6	
C. Johnston, Registrar of Designs; Fees received under Acts 5 & 6 Vict. c. 100, 6 & 7 Vict. c. 65, and 13 & 14 Vict. c. 104	166 13 4	
Ushers of the Court of Queen's Bench; Fees received under Acts 11 Geo. 4, c. , and 1 Will. 4, c. 58 - - - - -	113 – 7	
P. H. Pepys, Secretary of Presentations to Lord Chancellor; Fees received under Act 15 & 16 Vict. c. 87 - - -	226 5 6	
N. J. Senior, Secretary of Commissions to Lord Chancellor; Fees received under Act 15 & 16 Vict. c. 87 - - -	610 1 7	
H. Edgell, Clerk of Assigns, &c. Clerk of Assize on the Norfolk Circuit; Fees received under Acts 11 Geo. 4, c. , and 1 Will. 4, c. 58 - - - - - - - - - - - -	1 8 6	
C. Romilly, Clerk of the Crown in Chancery; Fees received in the Hanaper Office for the Master of the Rolls, under Acts 7 Will. 4, c. , and 1 Vict. c. 46 - - - - - -	22 16 –	
F. G. Abbott, Clerk; Fees received in the Petty Bag Office for the Master of the Rolls, under same Acts - - -	23 – –	
F. S. Banks, Registrar; Fees received for the Registration of acknowledgments of Deeds by Married Women, under Act 13 & 14 Vict. c. 75 - - - - - - - - - -	1,243 13 2	
Paymaster-general; Fees received on Licenses granted by Lunacy Commissioners - - - - - - - - -	922 7 6	
Paymaster-general; Salaries formerly payable to Officers of the late Marshalsea, under Act 5 Vict. Sess. 2, c. 22 - -	461 5 –	
Masters of the Court of Exchequer; Payments in reduction of the Balance of a Debt due to the Crown by Mr. R. B. Adderley, on his account of Fees received - - - - -	150 – –	
Total, England - - - (Carried forward) - £.	66,208 16 6	11,222 17 1

No. 26.—Account of Miscellaneous Receipts paid into the Exchequer, &c.—continued.

SERVICE.		AMOUNTS.	TOTAL.	
		£. s. d.	£. s. d.	
Brought forward - - -		66,208 16 6	11,222 17 1	
Omitted here and transferred to page 763—(See A.) - - -		*1,500 - -*	. . . . .	*See p. 763.*
Fees of Public Offices—continued.				
SCOTLAND:				
Queen's and Lord Treasurer's Remembrancer.—Fees received under Act 57 Geo. 3, c. 64; viz.:				
	£. s. d.			
In the Office of the Director and Clerk of Her Majesty's Chancery in Scotland - - -	623 13 9			
In the Department of Keeper of the Register of Seisins, &c. at Edinburgh - - - - -	~~4,642 16 2~~	. . . . .	. . . . .	B. *£.4,724 17 7 (See p. 763.)*
In the Department of Lord Clerk Register of Scotland - - - - - - - - -	2,273 9 9			
In the Department of Sheriff's Clerk, Edinburgh, under Act 1 & 2 Vict. c. 119 - - - - -	3,933 13 9			
Total, Scotland - - -		~~11,473 13 5~~	. . . . .	*11,555 14 10*
IRELAND:				
W. H. Hardinge, Senior Clerk; Fees received in the Record Department of the Paymaster of Civil Services - - - - - - - -	32 16 2			
T. M'Kenna, Clerk of the Council; Fees received	329 4 4			
Ditto - - - ditto - - - Fees received in the Chief Secretary's Office - - -	553 15 11			
M. O'Connell, Registrar of Deeds, &c.; Balance of Fees received under Act 2 & 3 Will. 4, c. 87	1,056 5 1			
A. B. Cane, Receiver of Constabulary; Annuity payable to the Consolidated Fund from "Counties Fines and Penalties Account," under 6 & 7 Vict. c. 78 - - - - -	500 - -			
A. Lyle, Master in Chancery; Annuity payable to the Consolidated Fund from the "County Treasurer's Fee Fund," same Act - -	500 - -			
Messrs. Hawkins and Keatinge, Joint Deputy Registrars of the Prerogative Court of Ireland; Balance of Fees received under Act 7 & 8 Geo. 4, c. 44 - - - - - -	1,792 12 4			
J. Nagle, Clerk of the Crown; Fees received at the Court of Queen's Bench, under Act 2 Will. 4, c. 48, s. 11 - - - - - - - -	8 - 3			
Y. Dawson, Clerk of Appearances in the Court of Chancery, Ireland; Fees formerly payable to the Lord Chancellor on Writs heretofore issued out of the Cursitor's Office, under Act 2 & 3 Will. 4, c. 116 - - - - -	- 5 7			
T. M'Kenna, Clerk of the Council; Fees formerly payable to the Lord Chancellor on Patents issued under the Great Seal of Ireland - -	24 8 -			
Total, Ireland - - -		4,797 7 8	~~82,479 17 7~~	*84,061 19 -*
	Carried forward - - - £.		~~93,702 14 8~~	

No. 26.—Account of Miscellaneous Receipts paid into the Exchequer, &c.—continued.

SERVICE.	AMOUNTS. £. s. d.	TOTAL. £. s. d.
Brought forward - - -	- - -	~~93,702 14 8~~
Trustees of the King of the Belgians (the Amount repaid into the Exchequer, for the use of the Consolidated Fund, out of the Annuity granted to Prince Leopold) - - - - -	- - -	33,500 - -
Unclaimed Dividends received - - - - - - -	- - -	61,044 17 5
Old Stores and Extra Receipts, Naval and Military Departments; viz.:		
Army Extra Receipts - - - -	63,313 5 6	
Navy Old Stores and other Extra Receipts	135,922 11 -	
Ordnance Extra Receipts - - -	179,339 9 -	
Sale of Commissariat Stores - - -	5,361 15 8	
Net Profit on transactions connected with raising money for the supply of the Commissariat Chest - - - -	209 5 7	384,146 6 9
Extra Receipts of Civil Departments:		
Commissioners of Works, Extra Receipts in the Office of Works, and Old Building Materials sold - - - - - -	1,265 8 11	
Ditto, Extra Receipts on account of Royal Parks, &c., under Act 14 & 15 Vict. c. 42 -	395 17 5	
Ditto, produce of the Sale of Materials of a Building called the Glossop Dale Universal School - - - - - - -	165 8 1	
Comptroller of the Stationery Office, proceeds of the Sale of Acts of Parliament, Books, Waste Paper, &c. - - - -	5,333 11 -	
F. S. Thomas, Secretary, &c., on account of Sales of Record Publications - - -	229 4 10	
Paymaster-general, amount received at Marlborough House for Sales of Examples, &c. to Schools of Art; for Sales of Catalogues, &c., and admission to the Museum and Library - - - - - - -	~~1,931 12 5~~	(*100 l. too much*) *1,831 12 5*
Paymaster-general, Bill of Exchange received from the Portuguese Government for the Contingent Expenses of the Mixed Commission Court for the Suppression of the Slave Trade - - - - - -	674 5 1	
Ditto, Balance of Convict Earnings and Prisoners' private Cash Fund - - -	893 15 -	
Proceeds of Surplus Provisions and Clothing out of Convict Ships - - -	18,623 6 2	
G. Taylor, Secretary to the Copyhold Inclosure and Tithe Commissioners, Sums received for Searches, Extracts, &c. - -	1,919 14 9	
Inclosure Commissioners, Repayment of Inclosure Expenses received under Act 8 & 9 Vict. c. 118, s. 130 - - - - - -	3,295 3 8	
Ditto, Repayment of Drainage Expenses received under Acts 9 & 10 Vict. c. 101, s. 46, and 13 & 14 Vict. c. 31 - - -	5,686 3 7	
Paymaster-general, gain by exchange and per-centage received on Payments made by him at Hanover - - - -	752 8 10	
Ditto, Rents of Lands in the Channel Islands purchased for Harbours of Refuge - -	1,272 17 -	
		~~42,438 16 9~~
Income of London, Edinburgh and Dublin Gazettes, viz.:		
F. Watts, Superintendent, Gross Revenue of the London Gazette - - -	10,478 11 3	
Ditto, per Paymaster-general, ditto - -	7,856 8 8	
Total, London Gazette - - -	18,334 19 11	
W. H. Laurie, Keeper, &c., on account of the Edinburgh Gazette - - - -	~~1,267 7 9~~	(*100 l. too little*) *1,367 7 9*
A. Thom, Printer, &c., on account of the Dublin Gazette - - - - - -	894 - 3	
		~~20,496 7 11~~
Carried forward - - -	- - -	~~635,329 3 6~~

All formerly carried to Imprest Monies, &c., by Treasury direction.

No. 26.—Account of Miscellaneous Receipts paid into the Exchequer, &c.—continued.

SERVICE.	AMOUNTS. £. s. d.	TOTAL. £. s. d.	
Brought forward		~~635,329 3 6~~	
Superannuation Fund Abatements, under Act 4 & 5 Will. 4, c. 24; viz.:			
ENGLAND:			
Paymaster-general, from Salaries of the Civil Departments of the Navy	4,836 11 7		*Paid into the Exchequer, as Army, Navy and Ordnance Extra Receipts, &c. (Imprest Monies, &c.)*
Ditto ditto ditto Army	1,739 18 11		
Ditto ditto ditto Ordnance	4,575 5 11		
Ditto ditto ditto Commissariat	134 2 –		
Ditto ditto of Civil Services	12,356 2 3		*Imprest Monies, &c.*
Ditto ditto of Colonial and Consular Officers	372 7 11		
J. B. Lennard, Chief Clerk, ditto of the Council Office	124 3 5		
C. Johnson, Registrar ditto Designs Office	18 12 11		
Total, England	24,157 4 11		
SCOTLAND:			
~~Queen's and Lord Treasurer's Remembrancer~~:			
~~From Salaries in the Department of the Keeper of the Register of Seisins in Edinburgh~~	~~82 1 5~~		*B. Surplus Fees. (See p. 761.)*
IRELAND:			
Paymaster of Civil Services in Ireland:	£. s. d.		
From Salaries in the Office of the Paymaster of Civil Services	897 9 –		
Ditto ditto Chief Secretary	– 10 –		
Ditto ditto Commissioners of Public Works	935 14 –		
Ditto ditto Receiver of Constabulary	654 8 1		*Imprest Monies, &c.*
Ditto ditto Receiver of Dublin Police	135 8 4		
Ditto ditto Registrar of Deeds	322 1 9		
Total, Ireland	2,945 11 2		
		27,184 17 6	
Contribution from the East India Company for Retired Pay, Pensions, &c., in respect of Her Majesty's Forces serving or having served in India, per Act 4 Geo. 4, c. 71		60,000 – –	
Contributions towards the Salaries of Official Referees, under Acts 7 & 8 Vict. c. 84, and 9 Vict. c. 5; viz.:			
From the Chamberlain of the City of London	100 – –		
„ C. P. Allen, Treasurer of Middlesex	1,000 – –		
„ J. Mercer, Treasurer of Kent	80 – –		
„ E. Kerrick, Treasurer of Surrey	320 – –		
		1,500 – –	*A. Surplus Fees. See pa. 761.*
Savings on Grants of Parliament, &c., and Over-Issues Repaid; viz.:			
ENGLAND:			
Paymaster-general, Balance on Annuities and Pensions, Courts of Justice and Civil List, 5th Class, &c., repaid to Exchequer	~~1,480 5 6~~		*wrong, should be 1,480 5 5*
Paymaster-general, Balance of Vote for Temporary Houses of Parliament	2 3 9		
G. B. Airy, Balance of Funds for National Standards of Length and Weight	51 1 5		
Paymaster-general, difference between Compensation awarded to Mr. John James, for loss of Office in the Court of Hemlingford, and Sum paid to his Representatives	4 12 7		
Total, England	~~1,538 3 3~~ 1,538 3 2		
SCOTLAND:			
Queen's and Lord Treasurer's Remembrancer.—Sum over-imprested for payment to Mr. Patrick Shaw, Sheriff of Chancery, on the Judicial Establishment of Scotland	407 8 7		*Imprest Monies, &c.*
IRELAND:			
Paymaster of Civil Services, Balance on Annuities and Pensions, Courts of Justice and Miscellaneous Services, repaid to the Exchequer	£. s. d. 819 4 4		
Paymaster of Civil Services, amount received from W. H. Hopper, Secretary to the Central Board of Health, Balance due on his Audited Account	4 8 –		
Total Ireland	823 12 4		
		~~2,769 4 3~~ 2,769 4 1	
Carried forward		~~729,783 5 3~~ 726,783 5 1	

No. 26.—Account of Miscellaneous Receipts paid into the Exchequer, &c.—continued.

	SERVICE.	AMOUNTS. £. s. d.	TOTAL. £. s. d.
	Brought forward	- - -	~~726,783 5 2~~ 726,783 5 1
	Conscience Money; viz.		
	ENGLAND:		
	Money remitted to the Chancellor of the Exchequer by sundry Persons unknown, for Conscience-sake	1,890 1 3	
	Paymaster-General, Retribution to the British Government paid into the Commissariat Chest at Malta	5 - -	
	Total, England £.	1,895 1 3	
	IRELAND:		
	Rev. M. Barlow, Curate of the Roman-Catholic Chapel, Francis-street, Dublin, Conscience Money received by him	- 10 -	
			1,895 11 3
Imprest Monies, &c.	Various Casual Receipts; viz.:		
	ENGLAND:		
	Bank of England, Amount of a Lottery Ticket issued per Act 24 Geo. 2, c. 2, but never claimed, transferred by the South Sea Company, with Interest from 1751	1,989 8 -	
	Paymaster-General, Net Profit on Sale of Exchequer Bills between the 1st April and 31st December 1854	758 3 4	
	Lords of the Treasury, Interest on Sum advanced from the Consolidated Fund to pay Dividend on Guaranteed Jamaica Loan, 11 & 12 Vict. c. 130	1 10 3	
	Total, England £.	2,749 1 7	
	IRELAND:		
	Commissioners of Public Works, Amount received for Sale of a portion of Ground at Dunmore Harbour	150 - -	
			2,899 1 7
		£.	~~731,577 18 - 6~~ 731,577 17 11

ABSTRACT as made out at Treasury.

		GREAT BRITAIN. £. s. d.	IRELAND. £. s. d.	UNITED KINGDOM. £. s. d.
	Duties on Offices and Pensions	2,320 8 8	- - -	2,320 8 8
	Small Branches of the Hereditary Revenue	8,602 8 5	300 - -	8,902 8 5
	Fees of Public Offices	77,682 9 11	4,797 7 8	82,479 17 7
	Trustees of the King of the Belgians	33,500 - -	- - -	33,500 - -
	Unclaimed Dividends received	61,044 17 5	- - -	61,044 17 5
	Old Stores and Extra Receipts, Naval and Military Departments	384,146 6 9	- - -	384,146 6 9
New Head.	Extra Receipts, Civil Departments	42,438 16 9	- - -	42,438 16 9
Ditto.	Income of London, Edinburgh and Dublin Gazettes	19,602 7 8	894 - 3	20,496 7 11
Ditto.	Superannuation Fund Abatements	24,239 6 4	2,945 11 2	27,184 17 6
Ditto.	Contribution from East India Company, Retired Pay, &c.	60,000 - -	- - -	60,000 - -
Ditto.	Contributions towards Salaries of Official Referees	1,500 - -	- - -	1,500 - -
Ditto.	Savings on Grants of Parliament, &c., and Over-Issues Repaid	1,945 11 10	823 12 4	2,769 4 2
Ditto.	Conscience Money	1,895 1 3	- 10 -	1,895 11 3
Ditto.	Various casual Receipts	2,749 1 7	150 - -	2,899 1 7
	£.	721,666 16 7	9,911 1 5	731,577 18 -

Treasury Chambers,
30 June 1855.

JAMES WILSON.

Exchequer Abstract—from Exchequer Receipts.

	GREAT BRITAIN. £. s. d.	*IRELAND.* £. s. d.	*UNITED KINGDOM.* £. s. d.
Pensions, Offices, &c.	*2,320 8 8*	- - -	*2,320 8 8*
Hereditary Revenues	*8,602 8 5*	*300 - -*	*8,902 8 5*
Surplus Fees	*79,264 11 4*	*4,797 7 8*	*84,061 19 -*
Unclaimed Dividends received	*61,044 17 5*	- - -	*61,044 17 5*
East India Company	*60,000 - -*	- - -	*60,000 - -*
Imprest Monies, &c. (including Army, Navy and Ordnance, Extra Receipts, 414,673 l. 18 s. 2 d., Trustees of the King of the Belgians, 33,500 l., &c.)	*510,434 10 8*	*4,813 13 9*	*515,248 4 5*
£.	*721,666 16 6*	*9,911 1 5*	*731,577 17 11*

No. 27.—REPAYMENT OF ADVANCES made out of the CONSOLIDATED FUND for Purchase of BULLION, and for LOCAL WORKS and IMPROVEMENTS in Great Britain and Ireland, during the Year ended 31st March 1855.

		£.	s.	d.	
BULLION purchased by the Master of the Mint for Coinage	per Act 7 W. 4, c. 9	300,000	–	–	
CONSTABULARY POLICE, Ireland	6 W. 4, c. 13, and 11 V. c. 2	30,540	17	9	
DRAINAGE ADVANCES, Great Britain	9 & 10 V. c. 101, and 13 & 14 V. c. 31	130,457	19	11	
DRAINAGE ANNUITIES	12 & 13 V. c. 60	15,581	–	9	
DRAINAGE AWARDS	10 V. c. 10, 11 & 12 V. c. 106, and 12 & 13 V. c. 60	288	18	–	
DUNLEARY HARBOUR	56 G. 3, c. 62, and 1 G. 4, c. 69	5,923	19	8	
COUNTY GAOLS, Ireland	50 G. 3, c. 103, and 7 G. 4, c. 74	9,694	4	11	
GLASGOW and CARLISLE ROADS, Rent of an Inn at Beatlock	56 G. 3, c. 83*	43	15	10	* *Local and Personal.*
HOLYHEAD ROADS	†7 G. 4, c. 76	783	13	6	†*6 G. 4, c. 100, and*
Ditto	9 G. 4, c. 75	200	–	–	
MENAI and CONWAY BRIDGES	4 & 5 W. 4, c. 66, and 7 & 8 V. c. 65	2,290	11	4	
REBUILDING LONDON BRIDGE	7 G. 4, c. 40	21,550	–	–	
LUNATIC ASYLUMS, Building and Support, Ireland	1 & 2 G. 4, c. 33, and 6 G. 4, c. 54	50,289	6	3	
METROPOLIS IMPROVEMENTS	10 V. c. 18	158,356	3	6	
,, INTERMENTS	14 & 15 V. c. 89, and 15 & 16 V. c. 85	7,000	–	–	
NORTHERN LIGHTHOUSES	54 G. 3, c. 136	250	–	–	
PUBLIC WORKS LOAN FUND, Great Britain	5 V. s. 2, c. 9, 9 & 10 V. c. 80, and 14 & 15 V. c. 23	255,755	13	8	
Ditto Ireland	6 & 7 V. c. 44, 9 & 10 V. c. 85, and 14 & 15 V. c. 51	28,144	3	–	
Ditto Employment of the Poor, Ireland	57 G. 3, c. 34 and 124	6,504	14	11	
Ditto	6 G. 4, c. 35	11,424	17	9	
Ditto (Exchequer Bills)	1 & 2 W. 4, c. 33	4,992	14	6	
Ditto	9 V. c. 2, and 9 & 10 V. c. 78	5,176	16	9	
Ditto (Labour-Rate Arrears)	9 & 10 V. c. 107, 10 & 11 V. c. 87, and 11 & 12 V. c. 51	102	9	3	
Ditto Loans Repayment Account, Consolidated Annuities	13 V. c. 14	26,000	–	–	
Ditto Land Improvement, Ireland	10 V. c. 32	95,453	17	4	
Roads and Bridges, &c., Ireland	45 G. 3, c. 43, 6 G. 4, c. 101, 1 & 2 W. 4, c. 33, 4 & 5 W. 4, c. 91, and 6 & 7 W. 4, c. 116	15,123	18	10	
Royal Exchange, Dublin	45 G. 3, c. 18, and ~~54 G. 3, c. 129~~	730	4	–	*3 & 4 W. 4, c. 50.*
Shannon River, Improvement of	2 & 3 V. c. 61, and 10 & 11 V. c. 74	8,949	1	1	
South Wales Turnpike Trust	7 & 8 V. c. 91	11,906	17	11	
Valuation of Lands, Ireland	7 G. 4, c. 62, 6 & 7 W. 4, c. 84, ~~and 11 & 12 V. c. 22~~	25,839	17	9	
West India Relief, viz.:					
Tobago Relief	~~7 G. 4, c. 62, and 6 & 7 W. 4, c. 84~~	4,571	9	2	. . . *11 & 12 V. c. 22.*
Trinidad Loan, Principal and Interest	11 & 12 V. c. 22	15,457	16	1	
West India Islands (Exchequer Bills Loan)	~~11 & 12 V. c. 22~~	29,411	5	9	. . . *2 & 3 W. 4, c. 125, &c.*
Antigua, St. Kitts, &c., Relief Fund	~~6 G. 4, c. 128~~	~~1,480 7 8~~			*6 & 7 V. c. 63, &c. £. 10,918 – –*
		60,358	11	–	
		~~50,920 18 8~~			
Wide Streets, &c., Dublin	6 G. 4, c. 128	1,480	7	8	
TOTAL REPAYMENTS to the CONSOLIDATED FUND	£.	1,291,194	16	10	

AN ACCOUNT of all IMPREST MONIES repaid by Public Accountants, and other PUBLIC MONIES paid into the EXCHEQUER in the Year ended 31st March 1855, made out at Exchequer as Accounts of Receipts at Exchequer (*Great Britain*).

	£.	s.	d.
The Lords Commissioners of Her Majesty's Treasury, produce of six Mexican Bonds of 500 *l.* each, transmitted to the Chancellor of the Exchequer by a person unknown, as Conscience Money	683	16	3
The Governor and Company of the Bank of England, received by the Chancellor of the Exchequer, being Conscience Money paid by a person unknown for the payment of a Debt long due to the Nation	1,206	5	–
Francis Watts, Esq., Superintendent, on account of the Gross Income of the "London Gazette" £. 8,653 s. 2 d. 3			
Elizabeth Watts, Executrix of the above, Balance due by the late Editor of the "London Gazette" 1,825 9 –			
The Paymaster-General, Sums derived from the sale of Gazettes and from Advertisements received between 13th September 1854 and 28th February 1855 7,856 8 8			
	18,334	19	11
W. H. Laurie, Esq., Keeper, &c., of the "Edinburgh Gazette," Amount due for the Half-year ended 30th December 1853	1,367	7	9
Inclosure Commissioners, Repayment of Inclosure Expenses received from 1st March to 30th November 1854 inclusive, per Act 8 & 9 Vic. c. 118, s. 130	3,295	3	8
Inclosure Commissioners, Repayment of Drainage Expenses received in same time, per Acts 9 & 10 Vic. c. 101, s. 46, and 13 & 14 Vic. c. 31	5,686	3	7
F. S. Thomas, Secretary, &c. on account of Sales of Record Publications, &c., for the year ended 31st December 1853	229	4	10
Comptroller of the Stationery Office, Proceeds of the Sale of Acts of Parliament sold in Dublin, Sales of Waste Paper, Old Stores, &c.	5,333	11	–
Geo. Taylor, Accountant to the Copyhold Inclosure and Tithe Commission, Sums received for Searches, Extracts and Tracings, &c.	1,919	14	9
G. B. Airy, Astronomer Royal, Balance of Funds placed in his hands as Chairman of the Committee for superintending the Construction of National Standards of Length and Weight	51	1	5
Bank of England, Amount of a Lottery Ticket issued per Act 24 Geo. 2, c. 2, but never claimed or converted into Stock, transferred by the South Sea Company £. 490 s. – d. –			
Interest on the said 490 *l.* Lottery Ticket, unclaimed for 102 years 1,499 8 –			
	1,989	8	–
The Lords Commissioners of Her Majesty's Treasury, Interest on the Sum advanced on 2d July 1853, to pay the Half-year's Dividend on the Guaranteed Loan for Jamaica, per Act 11 & 12 Vic. c. 130	1	10	3
The Queen's and Lord Treasurer's Remembrancer, N. B., the Sum over-imprested for payment of Mr. Patrick Shaw, Sheriff of Chancery, on the Judicial Establishment (Scotland), for the Quarter to 30th June 1854	407	8	7
By the PAYMASTER-GENERAL.			
Proceeds of a Bill received from the Portuguese Government on account of the Contingent Expenses of the Mixed Commission for Suppression of the Slave Trade	674	5	1
Proceeds of the Sale of the Materials of a Building erected for the purpose of a School in Derbyshire, called "The Glossop Dale Universal School"	165	8	1
Rents of Lands in the Channel Islands purchased on account of the Harbours of Refuge	1,272	17	–
Carried forward £.	42,618	5	2

Account of all Imprest Monies repaid by Public Accountants, &c.—*continued.*

	£.	s.	d.
Brought forward - - -	42,618	5	2
By the Paymaster-General—*continued.*			
Balance remaining on 31st March 1854, to the credit of the "Convicts' Earnings and Prisoners' Private Cash Fund" - - - - - - - - - - - - - - - -	893	15	–
Difference between the Compensation awarded to Mr. John James, for loss of Office as an Officer of the Court of Hemlingford, and the Sum paid to his Representatives - - - - -	4	12	7
Net Profit on Sale of Exchequer Bills, between 1st April and 31st December 1854 - - -	758	3	4
Retribution to the British Government, paid into the Commissariat Chest at Malta - - -	5	–	–
Balances of sundry Services; viz., Annuities and Pensions, Courts of Justice, &c. - - -	1,480	5	5
Receipts in Department of Practical Art, Marlborough House,; viz., Sales of Examples and Medals, Admission to Museum, Library and Public Lectures, Fees, &c. - - - - - -	1,831	12	5
On behalf of the First Commissioner of Works, &c., Balance on account of Vote for Temporary Houses of Parliament - - - - - - - - - - - - - -	2	3	9
On behalf of the Commissioners of Works, &c., Extra Receipts in Office of Works; viz., Old Building Materials sold (of "Public Buildings," &c.) - - - - - - - - -	1,265	8	11
On behalf of the Commissioners of Works, &c., Extra Receipts on account of Royal Parks, &c., per Act 14 & 15 Vict. c. 42, s. 25 - - - - - - - - - - - - - -	395	17	5
Abatements from Salaries, &c., per Act 4 & 5 Will. 4, c. 24.			
The Paymaster-general, for Miscellaneous Civil Services - - - - - 12,356 2 3			
The Paymaster-general, from Colonial and Consular Officers at Hong Kong - 372 7 11			
The Paymaster-general, for Commissariat Services - - - - - - 134 2 –			
Clement Johnson, Registrar of Designs - - - - - - - - - 18 12 11			
J. B. Lennard, Chief Clerk, Council Office - - - - - - - - 124 3 5			
	13,005	8	6
£.	62,260	12	6
By the Paymaster-General.			
Army Extra Receipts, brought to Account - - - - - - - - 65,053 4 5			
Navy Old Store and Extra Receipts - - - - - - - - - 140,759 2 7			
Ordnance, Extra Receipts - - - - - - - - - - - 183,914 14 11			
Gain by Exchange, and per-centage received on Payments at Hanover - - 752 8 10			
Amount realized in the year 1852–53, from the Sale of Commissariat Stores - 5,361 15 8			
Sale of Surplus Provisions, Clothing, &c., ex Convict Ships - - - - 18,623 6 2			
Net Profit realized in the year 1852–53, on transactions connected with raising Money for supply of the Commissariat Chests - - - - - - - 209 5 7			
	414,673	18	2
The Trustees of the King of the Belgians - - - - - - - - - - -	33,500	–	–
Total - - - £.	510,434	10	8

Compare with Exchequer Accounts, 1855.)

Exchequer, } Comptroller-general.

No. .—AN ACCOUNT of the Sums of Money received into the Exchequer in the Year ended 31st March 1855, on account of Surplus Fees of Public Offices, &c., made out at Exchequer as Accounts of Receipts (*Great Britain*).

	Act.	Cap.	£.	s.	d.
The Queen's and Lord Treasurer's Remembrancer, N. B., Surplus Fees received from the Director and Clerk of Her Majesty's Chancery in Scotland - -	-	-	623	13	9
The Queen's and Lord Treasurer's Remembrancer, N. B., Surplus Fees received in the Office of Keeper of the Register of Seisins, &c., at Edinburgh - -	57 G. 3, and 17 & 18 V.,	64 94	4,724	17	7
The Queen's and Lord Treasurer's Remembrancer, N. B., Surplus Fees received in the Department of the Lord Clerk Register, &c., in Scotland - - -	-	-	2,273	9	9
Ushers of the Court of Queen's Bench, Surplus Fees for the year 1853 - -	11 G. 4 and 1 W. 4,	58	113	-	7
Harry Edgell, Esq., Clerk of Assize, &c., on the Norfolk Circuit, Surplus Fees for the year 1853 - - - - - - - - - - - - -			1	8	6
George Graham, Registrar-General of Births, &c., Amount of Fees received to 31st March 1855, viz., per Act 6 & 7 Will. 4, c. 86 - - £. 370 - -					
„ 3 & 4 Vict. c. 92 - - 231 12 6					
	-	-	601	12	6
C. Romilly, Esq., Clerk of the Crown in Chancery, Fees received in the Hanaper Office - - - - - - For the use of the Master of the Rolls	7 W. 4 and 1 V.,	46	22	16	-
F. G. Abbott, Esq., Clerk of the Petty Bag, Fees received in the Petty Bag Office in Chancery - - - - - -			23	-	-
F. S. Thomas, Secretary, &c., on account of Fees received at the Public Record Office, &c. - - - - - - - - - - - - - -	1 & 2 V.,	94	760	8	-
The Queen's and Lord Treasurer's Remembrancer, N. B., Fees of the Departments of Sheriff Clerks in Scotland - - - - - - - - - -	1 & 2 V.,	119	3,933	13	9
The Paymaster-General, Salaries formerly payable to Officers of the late Marshalsea, &c. - - - - - - - - - - - - - -	5 V., Sess. 2,	22	461	5	-
Clement Johnson, Registrar of Designs, Surplus Fees received in the Quarter ended 31st March 1854 - - - - - - - - - - - -	5 & 6 V., 6 & 7 „ 13 & 14 „	100 65 104	166	13	4
Francis Whitmarsh, Registrar, Balance of Fees received in the Office for Registration of Joint Stock Companies, to 31st March 1854 - - - - -	7 & 8 V.	110	1,425	13	8
Treasurer of Middlesex - - - - - Contributions towards the Salaries of the Official Referees, &c., payable under the Acts - - - - - - -	-	-	1,000	-	-
Treasurer of Kent - - - - -	7 & 8 V., and	84	80	-	-
Treasurer of Surrey - - - - -	9 V.,	5	320	-	-
Chamberlain of the City of London - -	-	-	100	-	-
The Paymaster-General, Fees on Licences granted by the Lunacy Commissioners - - - - - - - - - - - - - - -	8 & 9 V.,	100	922	7	6
Commissioners for regulating the Offices of the House of Commons, Balance of Fees, &c., of the House of Commons, to 31st December 1854 - - -	12 & 13 V.,	72	58,251	1	-
J. S. Bankes, Registrar, Surplus of Fees for the Registration of Acknowledgments of Deeds by Married Women, for the year to 31st December 1854 -	13 & 14 V.,	75	1,243	13	2
Carried forward - - - £.			77,048	14	1

Account of the Sums of Money received into the Exchequer—*continued.*

	Act.	*Cap.*	£.	*s.*	*d.*
Brought forward	-	-	77,048	14	1
P. H. Pepys, Esq., Secretary of Presentations to the Lord Chancellor, Fees received from 10 October 1853 to 12 October 1854 - - - - - -	15 & 16 V.	87	226	5	6
N. J. Senior, Esq., Secretary of Commissions to the Lord Chancellor, Fees received from 5 April 1853 to 10 October 1854 - - - - - - -	15 & 16 V.	87	610	1	7
H. J. Knyvett, Esq., Chief Clerk, Produce of the Home Office Fee Fund for the year ended 31 December 1854 - - - - - - - - - - - - - - -			991	–	8
P. Smith, Esq., Chief Clerk, Fees received in the Colonial Office, in the Three Quarters ended 31 March 1854 - - - - - - - - - - - - - - - -			1	11	6
J. B. Lennard, Chief Clerk, Fees received in the Council Office, in the Half-year ended 5 April 1854 - - - - - - - - - - - - - - - -			218	–	–
H. W. Sanders, Esq., Proceeds of Fees levied upon Irish Instruments at the Home Office - -			18	18	–
Masters of the Court of Exchequer, Payments in reduction of the Balance of a Debt due to the Crown by Mr. R. B. Adderley, on the final audit of his Account - - - - - -			150	–	–
Total - - - £.			79,264	11	4

Surplus Fees.

Compare with Exchequer Account, ending 31 March 1855 - - - £. 79,264. 11. 4.

Compare Finance Accounts 1855, p. 34.

Exchequer,

Comptroller-General.

Appendix, No. 11.

(A.)

EXPLANATION.—Civil Contingency Vote.—Evidence, Question 2734.

CIVIL CONTINGENCIES.

	Amount Voted.	Amount authorised to be issued by Royal Orders.	Balance Unissued from the Exchequer at close of Financial Year.	Amount Issued from the Exchequer, and Date of last Issue.		Amount Expended as shown by Parliamentary Papers.		Amount Expended beyond the Sum issued from the Exchequer for the Year.	Balance of Vote not yet accounted for to Parliament.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.		£. s. d.	Session and No.	£. s. d.	£. s. d.
1845–6 - -	100,000 – –	100,000 – –	22,469 5 7	100,000 – –	30 April 1846 -	85,454 4 8	1846 No. 204 -	- - -	14,545 15 4
1846–7 - -	100,000 – –	100,000 – –	- - -	100,000 – –	5 Aug. 1846 -	113,642 16 11	1847 No. 216 -	13,642 16 11	—
1847–8 - -	100,000 – –	100,000 – –	10,000 – –	100,000 – –	4 May 1848 -	93,415 16 4	1848 No. 284 -	- - -	6,584 3 8
1848–9 - -	100,000 – –	100,000 – –	29,100 – –	100,000 – –	1 May 1849 -	73,600 1 2	1849 No. 270 -	- - -	26,399 18 10
1849–50 - -	100,000 – –	100,000 – –	26,100 – –	100,000 – –	22 June 1850 -	51,653 6 5	1850 No. 258 -	- - -	48,346 13 7
1850–1 - -	100,000 – –	100,000 – –	89,600 – –	100,000 – –	31 Jan. 1852 -	65,371 18 10	1851 No. 160 -	- - -	34,628 1 2
1851–2 - -	100,000 – –	100,000 – –	67,600 – –	100,000 – –	31 Mar. 1853 -	89,675 14 5	1852 No. 239 -	- - -	10,324 5 7
1852–3 - -	100,000 – –	100,000 – –	88,600 – –	100,000 – –	8 May 1854 -	79,823 3 4	1853 No. 262 -	- - -	20,176 16 8
1853–4 - -	100,000 – –	100,000 – –	100,000 – –	100,000 – –	7 Nov. 1854 -	70,361 8 6	1854 No. 173 -	- - -	29,638 11 6
1854–5 - -	100,000 – –	100,000 – –	61,916 – –	100,000 – –	7 June 1856 -	73,118 7 11	1855 No. 157 -	- - -	26,881 12 1
1855–6 - -	100,000 – –	100,000 – –	100,000 – –	40,000 – –	9 June 1856 -	83,891 4 2	1856 No. 91 -	43,891 4 2	—
								57,534 1 1	217,525 18 5
									57,534 1 1
								£.	159,991 17 4

RUSSIAN DUTCH LOAN, 1832.

(C.)

CASE

As to the Legality of further Issues from the Exchequer for payment of Dividends on the Russian Loan, by virtue of the Act of 55 Geo. 3, c. 115, and Opinion of Crown Lawyers.

The following is a copy of a Letter, and the statement enclosed therein, from Lord Grenville, the Auditor of the Exchequer, to the Lords Commissioners of His Majesty's Treasury:

Auditor's Office, Exchequer,
3 January 1832.

My Lords,

Some doubts having occurred in this office respecting the legality of any issue which might henceforth be directed by your Lordships to be made from the Exchequer, for any fresh payments of dividends on the Russian Loan, by virtue of the Act 55 Geo. 3, c. 115, I think it my duty herewith to enclose a statement which has been there prepared of the grounds of those doubts, such as they have been laid before me, and I humbly request that your Lordships will be pleased to obtain for me the opinion of His Majesty's law servants, whether under the circumstances there stated, I shall legally be justified in executing, as far as depends on me, any such directions; and that your Lordships will also be pleased, in a case so highly important to the public faith, and to the interests of the State, to give me such special directions as you may judge fit for my conduct in any part of this business in which it shall appear that any legal discretion does really rest with me.

I have, &c.
(signed) *Grenville.*

The Lords Commissioners of
His Majesty's Treasury.

Auditor's Office, Exchequer,
2 January 1832.

By the Act 55 Geo. 3, chap. 115, provision under a Convention, signed on the 19 May 1815, between His Majesty on the one part, and the King of the Netherlands and the Emperor of Russia on the other, is made for payment by His Majesty of the interest on a certain portion of "the Russian Loan made in Holland, together with an annual payment "for the liquidation of the same, which payments are specially made chargeable on the "Consolidated Fund of Great Britain, so long as the same should be payable conformably to the tenor of His Majesty's engagements, as specified in the said Convention, "but to cease and determine should the possession and sovereignty of the Belgic Provinces "at any time pass or be severed from the dominions of His Majesty the King of the Netherlands previous to the complete liquidation of the same."

On the 6th of December last His Majesty announced to Parliament the separation of the States of Holland and Belgium, and virtually the accession of the King of Belgium to a separate throne.

Doubts arise in the office of the Auditor of the Exchequer as to the propriety or legality of continuing henceforth to make issues there for payment of the above-mentioned dividend and sinking fund, under the existing circumstances, which are so definitely and specifically provided for in the terms of the Convention, which form the preamble of the Act of 55 Geo. 3, chap. 115.

The following is a copy of a further Letter from Lord Grenville on the same subject:

Drossmore, 18 January 1832.

Sir,

I have the honour to acknowledge your letter of the 4th instant, in which, in reference to the important matter which I have thought it my duty to submit to the Lords Commissioners of the Treasury, you acquaint me that, on the 19th July last, the opinion of the King's Advocate and Attorney and Solicitor-general was taken on that subject; but you add, that their Lordships, in compliance with my desire, will submit my letter, and the memorandum therein inclosed, to the law officers of the Crown, and that as soon as their opinion is received the same shall be submitted to me.

By a letter which I have received on the 14th instant, from the first clerk in the Auditors' Office, I am informed that the Warrant and Order for a large issue of money on that account, which instruments were under their Lordships' direction prepared in the usual course of office, and transmitted from thence to the Treasury on the 5th December last, were returned to him on the 13th instant from the Treasury, without being preceded or accompanied by any fresh opinion on the subject from His Majesty's law servants.

The present judgment of those learned persons on this matter I am the more anxious to obtain, because the opinion which you state them to have given upon it to the Treasury in July last, whatever may have been its import, can only have related to the case as it then stood, little less than six months ago. The doubts now entertained on the subject have arisen

Appendix, No. 11.

arisen at a much later period, and rest much, as their Lordships will have observed, on circumstances of very recent date.

I was not indeed myself apprised of those doubts till the beginning of the present year. It was then only that an officer of much experience and knowledge of the business of the Exchequer laid before me, as was his duty, his strong apprehensions that, in the actual state of the case, any further issues which should thenceforth be made on this account would be illegal.

This statement, whatever might have been my previous impressions on the subject, claimed my instant and serious attention, and I took, without a moment's delay, the obvious and regular course upon it.

I respectfully submitted the whole matter to the Lords Commissioners of the Treasury, and humbly requested from them such lights as they might think proper to furnish to me for the government of my conduct in a case of such high public importance.

Since I did so, I have not ceased to apply my own mind sedulously and anxiously to the consideration of the subject, but before I take any further steps whatever in relation to it, their Lordships, I am confident, will not deem it improper that I should wait until I have the benefit of that high legal advice upon it which they have condescended to give me reason to expect.

(signed) *Grenville.*

T. Spring Rice, Esq.

The Lords of His Majesty's Treasury have directed these communications from Lord Grenville to be brought under the immediate consideration of the King's Advocate, and the Attorney and Solicitor-general for their opinion upon the point in question.

OPINION.

The 55 Geo. 3 is to be considered merely as a Parliamentary recognition of the Treaty concluded between Great Britain, Russia, and Holland, which it enables His Majesty to carry into effect by making the necessary advances. The question, therefore, turns wholly upon the true construction of the Treaty.

After carefully examining the provisions of the Treaty itself, taken in connexion with the attending circumstances, and the negotiations which preceded it, we came to the conclusion, which we still think unquestionably just, that the events which have taken place do not release the country from the obligation to advance the payments guaranteed.

We are of opinion that the separation between Holland and Belgium effected by internal arrangements, which this country sanctioned and recommended by her direct interference, cannot, within the words and spirit of the Treaty, absolve Great Britain from this pecuniary engagement. We have no doubt that the public faith of this country stands distinctly pledged to its fulfilment.

We are, consequently, of opinion that the Act does authorise the Auditor of the Exchequer to advance the funds required for making good the stipulated payments as they become due.

Doctors' Commons,
24 January 1832.

(signed) *Herbert Jenner.*

Lincoln's Inn, 24 Jan. 1832.

T. Denman.
Wm. Horne.

Lord *Grenville* to Treasury.

Sir, Exchequer, 25 January 1832.

I have had the honour to receive your letter, of yesterday's date, with its inclosure; and I request that you will lay before the Lords Commissioners of the Treasury my respectful thanks for the information which they have been pleased to supply to me on this important matter.

The statute 55 Geo. 3, c. 115 is the document on which the question must turn, in so far as relates to my conduct. That is the authority to which I am bound to conform myself. But I am fully satisfied, that its true construction depends (as his Majesty's law servants have stated) on that of the treaty which it recites, and for the execution of which it was made. Where then must that construction be determined? The officers of the Exchequer cannot interpret the King's engagements with his allies, or pronounce how they are affected by subsequent events, and negotiations. We have here no knowledge of the facts, no cognizance of the principles which govern such decisions. All that is officially known to me on the subject is that the legal and political authorities, to whom the consideration of these high matters properly belongs, have advised his Majesty to consider himself as still bound, in maintenance of the national good faith, to continue these payments. And, as far as my humble judgment extends, I trust I cannot err in determining, under these circumstances, to discharge my own more limited duty, by obeying as before their Lordships' orders in this behalf.

I have, &c.

Thomas Spring Rice, Esq.

(signed) *Grenville.*

(D.)

MINUTE, 22 December 1848, and Amendments made thereon, in consequence of the Letters from the Exchequer.

ORIGINAL MINUTE.

§ 4. THE course to be followed preparatory to the issue of credits on the Exchequer in favour of the Paymaster-general is pointed out in their Lordships' Minute of the 26th September 1834, for the regulation of the Office of the Receipt of Her Majesty's Exchequer.

§ 6. The Exchequer credits to the Paymaster-general will be granted on special applications, to be made by him to their Lordships.

§ 7. By the 11th section of the Act 4 Will. 4, cap. 15, Royal Orders are required to empower the Lords of the Treasury to direct the Comptroller-general of the Exchequer to grant credits for the various services voted by Parliament, upon which Treasury Warrants and Letters are founded, as required by the 12th section of the same Act. Issues charged on the Consolidated Fund are made upon Treasury Warrants, without Royal Orders, as authorised by the 13th section of the Act.

§ 8. These regulations will continue to be strictly observed; and no other alteration appears to their Lordships to be necessary in the Orders heretofore issued than to grant to the Paymaster-general the credits which have hitherto been granted to the Paymaster of Civil Services, and to the Paymasters of Exchequer Bills.

MINUTE Amended in consequence of Lord *Monteagle's* Letter of the 16th January 1849.

§ 4. THE course to be followed preparatory to the issue of credits on the Exchequer in favour of the Paymaster-general is pointed out by the *4th Will.* 4, *cap.* 15, *for the regulation of the Exchequer*, and in their Lordships' Minute of the 26th September 1834, *issued in pursuance thereof.*

§ 6. *The directions for* Exchequer credits to the Paymaster-general will be *founded* on special applications, to be made by him to their Lordships.

§ 7. By the 11th section of the Act 4 Will. 4, cap. 15, Royal Orders are required to empower the Lords of the Treasury to direct the Comptroller-general of the Exchequer to grant credits for the various services voted by Parliament, upon which Treasury Warrants and Letters are founded, as required by the 12th section of the same Act. Issues charged on the Consolidated Fund are made *by credits given* upon Treasury Warrants, but without Royal Orders, as authorised by the 13th section of the Act.

§ 8. These regulations will continue to be strictly observed; and *the only* alteration *which* appears to their Lordships to be necessary in the Orders heretofore *in force is, that the credits* which have hitherto been granted to the Paymaster of Civil Services, and to the Paymasters of Exchequer Bills, *shall for the future be granted to the Paymaster-general.*

Papers, P. 90.

Compare Trevelyan's Minute, 1848, P. 60, p. 12, 13.

"The Paymaster-general and Paymaster "of Civil Services *habitually* use money be- "longing to one head of service in making "advances for other services in the ordinary "transaction of the daily business of their "respective departments."

FURTHER Addition made in consequence of Lord *Monteagle's* Letter.

"WHILE by these arrangements the con- "stitutional check exercised by the Comp- "troller-general of the Exchequer on the "issue of the public money under the 4th "& 5th Will. 4, cap. 15, will in all respects "be maintained, the regulations which their "Lordships prescribe for the Paymaster- "general's Office will afford this Board a "FURTHER control over the expenditure in "detail, which will enable their Lordships to "ensure that no payment is made on the "order of any Department beyond the "amount of the specific grant of Parlia- "ment *legally* applicable thereto."

Appendix, No. 12.

Appendix, No. 12.

PAPERS relating to the Establishment of the Exchequer, and the Business transacted.

Extract from Sixth Report of Commissioners of Public Accounts, dated 9 February 1782.

Page 29. "The Act enjoins us a still further duty; it commands us 'to report such regulations "'as in our judgment shall appear expedient to be established, in order that the duties, "'taxes, and monies granted, received, and appropriated for the public service of the king-"'dom, may hereafter be received and issued in the manner the most beneficial and advan-"'tageous to the public.'"

* * * * * * * *

Page 30. "An office of the highest antiquity that has subsisted for ages, under its present form, "that has the receipt and custody of the public treasure, upon the due administration of "which depends the national credit and safety of the realm; an office of such a description "is entitled to the utmost respect, and alterations in its establishment should be well weighed "and proposed with caution and diffidence. But as a change in the manners, customs, and, "above all, in the finances of this nation, since the origin of this office, together with "peculiar circumstances of the times, may render regulations necessary, we have judged "it a part of our duty to examine into the receipt of the Exchequer, with a view to "economical reform."

* * * * * * * *

Page 32. "Judging then, as we must do, solely by the rule of public frugality, and supposing the "nation to stand in need of every practicable retrenchment, and consequently to require "the reduction of every useless and expensive office, we are led necessarily to conclude, "that as the public service receives no assistance or advantage from the labours of the "tellers, and the public treasure will find a considerable increase from their emoluments, "the public interest requires their number should be reduced."

Extract from Report of Committee on Miscellaneous Expenditure, 1848.

Report, p. 17.—*Comptroller of the Exchequer.*

Page xvii. "The Committee have examined into the establishment of the Comptroller-general of "the Exchequer, and do not find any extravagant amount of persons or payment."

* * * * * * * *

Lord *Monteagle*'s Evidence, 14 April 1848.

Page 203. 2626. *Chairman.*] With respect to the clerical establishment, you do not think it is superfluous?—No; on the contrary. The clerical establishment was fixed in the year 1834; since the year 1834, the business in the year 1837 has been increased, by the addition of the Irish business, I should think, about 30 or 40 per cent. in point of labour and responsibility; it is carried on with the same establishment which was originally fixed for the smaller amount of duty; and which establishment, I think, altogether costs from about 8,000 *l.* to 9,000 *l.* a year, and discharges the whole of the functions which previously cost the public 44,000 *l.* a year, and 68 public servants.

My Lords, Exchequer, 17 March 1848.

I HAVE the honour to enclose for your Lordships the estimate for this department for the current year, having reconsidered it. Comptroller-general to Treasury, 17 March 1848.

The establishment was, as your Lordships are aware, constituted by the Treasury in 1834, on the authority and recommendation of the Commissioners of Accounts, adopted by the 4 Will. 4, c. 15.

The former establishment of the Exchequer comprised 68 officers, receiving salaries of 44,489 *l.*

The present number of clerks under me are 12, and the assistant comptroller. The average expense of the department, including contingencies, messengers, and office expenses, does not exceed from 8,000 *l.* to 9,000 *l.*

Not only are all the duties of the former Exchequer performed for the lesser sum, and with the reduced establishment, but in the year 1837, by the 6 & 7 Will. 4, c. 83, and your Lordships' minutes issued thereon, the whole of the receipts and expenditure of Ireland was brought under the review and control of this department. This augmented to a considerable degree the labour and the responsibility, and this, I am happy to say, was done without any greater increase of establishment than an augmentation of salary to the chief clerk of 100 *l.*

Since then I have suggested to your Lordships, and you have carried into effect, the reduction of two watchmen in 1844; and in the present year, on the vacancy occasioned by the death of Mr. Carruthers, I recommended that his successor should commence at 100 *l.* rather than 150 *l.* per annum.

I shall not fail in a similar manner to call your Lordships' attention, from time to time, to any reduction of expenditure which can be made with due regard to the public service.

In order to enable your Lordships to judge of the increased duty produced by the annexation to this department of the Irish accounts, I beg to refer you to the Sessional Paper, No. 658, 1847, p. 3, by which you will perceive that the proportion between the English and Irish business stood as follows, for the period included in that Return:

English credits - - - - - - - -	1,197
Irish transfers - - - - - - - -	436
English acquittances - - - - - - -	1,085
Irish acquittances - - - - - - - -	314

The Irish business was, as I have already informed your Lordships, added to this department somewhat more than two years after the constitution and salaries had been fixed.

The only heavy charge of a contingent nature is that for the preparation and printing of Exchequer bills. From the precautionary measures which I have at various times suggested to your Lordships' adoption in this service, and the mode in which the duty is performed, the amount is taken at 650 *l.*, and cannot, at the present, be estimated at a lower sum.

Any further information which I am able to furnish is wholly at your Lordships' commands.

The Lords Commissioners of
Her Majesty's Treasury.

I have, &c.
(signed) *Monteagle.*

A RETURN of the Number and Amount of PUBLIC BILLS that have been issued under the Head of EXCHEQUER BILLS, under the Authority of Her Majesty's Comptroller-general, since the date of the last Return, the 19th day of February 1845; distinguishing the Amount of each particular Issue, the Place and Period, and by whom each Issue was signed; stating the Number of Days during which the Comptroller-general was in Attendance in the discharge of his Official Duties, and if Absent, at what Periods; and during such Absence, under what particular Authority, Power, and Signature, each Issue was then made.

AN ACCOUNT of all EXCHEQUER BILLS signed by Lord *Monteagle*, Comptroller-general of the Exchequer, and by *Arthur Eden*, Esq., Assistant Comptroller, from 1 January 1845 to 15 June 1847.

SIGNED BY LORD MONTEAGLE.						SIGNED BY ARTHUR EDEN, ESQ.					
Date.	Number.	Value.				Date.	Number.	Value.			
1845:		£.	s.	d.		1845:		£.	s.	d.	
6 January	44	1,398,000	–	–		1 January	2	100,000	–	–	
7 —	20	191,000	–	–		4 —	15	15,000	–	–	
11 —	3	20,929	7	6		6 March	474	47,400	–	–	
18 —	9	93,000	–	–		7 —	750	75,000	–	–	
25 —	5	170,000	–	–		8 —	750	75,000	–	–	
1 February	2	60,000	–	–		10 —	750	75,000	–	–	
22 —	8	48,000	–	–		11 —	808	204,000	–	–	
1 March	16	8,000	–	–		12 —	750	375,000	–	–	
5 —	874	874,000	–	–		13 —	750	375,000	–	–	
6 —	750	750,000	–	–		14 —	704	140,800	–	–	
7 —	750	750,000	–	–		15 —	751	112,700	–	–	
8 —	750	750,000	–	–		12 April	4	30,529	4	3	
10 —	750	750,000	–	–		19 —	4	17,000	–	–	
11 —	750	750,000	–	–		26 —	5	90,000	–	–	
12 —	750	750,000	–	–		3 May	4	80,000	–	–	
13 —	750	750,000	–	–		10 —	3	30,000	–	–	
14 —	750	750,000	–	–		16 —	22	35,000	–	–	
15 —	671	671,000	–	–		31 —	4	80,000	–	–	
29 —	4	115,000	–	–		3 June	750	75,000	–	–	
7 April	55	2,300,000	–	–		4 —	750	75,000	–	–	
8 —	31	180,000	–	–		5 —	750	75,000	–	–	
3 June	750	750,000	–	–		6 —	750	75,000	–	–	
4 —	750	750,000	–	–		7 —	750	75,000	–	–	
5 —	750	750,000	–	–		9 —	1,500	825,000	–	–	
6 —	750	750,000	–	–		10 —	1,500	1,025,000	–	–	
7 —	750	750,000	–	–		11 —	1,500	1,125,000	–	–	
19 —	16	87,000	–	–		12 —	1,500	1,125,000	–	–	
4 July	4	40,000	–	–		13 —	1,500	525,000	–	–	
7 —	33	1,285,000	–	–		14 —	1,267	523,600	–	–	
8 —	6	220,000	–	–		6 September	4	120,000	–	–	
12 —	8	20,000	–	–		26 —	3	105,000	–	–	
19 —	2	50,432	3	11		3 October	4	115,000	–	–	
26 —	10	219,000	–	–		20 —	16	800,000	–	–	
16 August	4	120,000	–	–							
13 December	27	2,700	–	–							
16 —	20	20,000	–	–							
31 —	8	29,885	–	10							
TOTAL in Year ended 31 December 1845	11,630	17,972,946	12	3		- - - -	19,094	8,621,029	4	3	

Signed by Lord Monteagle.					Signed by Arthur Eden, Esq.				
Date.		Number.	Value.		Date.		Number.	Value.	
1846:			£.	s. d.	1846:			£.	s. d.
6 January		8	280,000	– –	5 March		500	50,000	– –
4 March		750	750,000	– –	6 —		750	75,000	– –
5 —		750	750,000	– –	7 —		750	75,000	– –
6 —		750	750,000	– –	9 —		750	75,000	– –
7 —		750	750,000	– –	10 —		750	175,000	– –
9 —		750	750,000	– –	11 —		750	375,000	– –
10 —		500	500,000	– –	12 —		750	375,000	– –
11 —		1,000	1,000,000	– –	13 —		750	150,000	– –
12 —		750	750,000	– –	14 —		687	116,900	– –
13 —		500	500,000	– –	18 April		16	550,799	19 3
14 —		1,065	1,065,000	– –					
27 —		1	291	8 10	9 May		4	35,000	– –
					30 —		2	20,000	– –
2 April		8	8,000	– –					
6 —		37	1,413,000	– –	2 June		1,500	450,000	– –
8 —		7	212,000	– –	3 —		1,500	450,000	– –
25 —		3	15,000	– –	4 —		1,500	450,000	– –
					5 —		750	275,000	– –
2 May		8	105,000	– –	6 —		500	50,000	– –
					8 —		500	50,000	– –
5 June		750	750,000	– –	9 —		500	50,000	– –
6 —		1,000	1,000,000	– –	10 —		500	50,000	– –
8 —		1,000	1,000,000	– –	11 —		500	75,000	– –
9 —		1,000	1,000,000	– –	12 —		500	100,000	– –
10 —		1,000	1,000,000	– –	13 —		774	128,400	– –
11 —		1,000	1,000,000	– –					
12 —		1,000	1,000,000	– –	24 July		10	129,344	6 6
13 —		390	390,000	– –					
15 —		8	400,000	– –	1 September		2	100,000	– –
20 —		5	103,000	– –					
					14 December		20	727,483	11 11
6 July		13	570,000	– –					
Total in Year ended 31 December 1846		14,803	17,811,291	8 10	–		15,515	5,157,927	17 8
1847:			£.	s. d.	1847:			£.	s. d.
3 March		860	860,000	– –	4 March		574	57,400	– –
4 —		750	750,000	– –	5 —		750	75,000	– –
5 —		750	750,000	– –	6 —		750	75,000	– –
6 —		750	750,000	– –	8 —		750	75,000	– –
8 —		750	750,000	– –	9 —		696	148,000	– –
9 —		750	750,000	– –	10 —		750	375,000	– –
10 —		750	750,000	– –	11 —		750	375,000	– –
11 —		750	750,000	– –	12 —		706	141,200	– –
12 —		750	750,000	– –	13 —		573	107,500	– –
13 —		582	582,000	– –					
					6 April		9	285,000	– –
3 April		78	2,000,000	– –	7 —		7	190,000	– –
					17 —		2	60,000	– –
1 May		1	10,000	– –	8 May		4	105,960	8 8
22 —		3	150,000	– –					
29 —		3	16,000	– –	1 June		750	75,000	– –
					2 —		750	75,000	– –
1 June		750	750,000	– –	3 —		750	75,000	– –
2 —		750	750,000	– –	4 —		750	75,000	– –
3 —		750	750,000	– –	5 —		750	75,000	– –
5 —		1,500	1,500,000	– –	7 —		750	75,000	– –
7 —		750	750,000	– –	8 —		750	275,000	– –
8 —		750	750,000	– –	9 —		750	375,000	– –
9 —		750	750,000	– –	10 —		750	375,000	– –
10 —		750	750,000	– –	11 —		750	375,000	– –
12 —		1,323	498,200	– –	12 —		338	40,200	– –
Total from 1 Jan. to 15 June 1847		15,600	16,866,200	– –	–		14,159	3,960,260	8 8

GENERAL ABSTRACT.

	Exchequer Bills signed by Comptroller-general.		Exchequer Bills signed by Assistant Comptroller.	
	Number.	Amount.	Number.	Amount.
		£. s. d.		£. s. d.
Total Bills signed from 1st January 1842 to 31st December 1844 (*See* Parliamentary Papers, No. 220, of Sess. 1844, and No. 166, of Sess. 1845) - - - - - - - - -	51,963	104,353,034 7 9	43,943	23,240,733 3 3
By Lord Monteagle and Mr. Eden, from 1st January 1845 to 31st December 1845 - -	11,630	17,972,946 12 3	19,094	8,621,029 4 3
From 1st January 1846 to 31st December 1846 - - - - - - - - -	14,803	17,811,291 8 10	15,515	5,157,927 17 8
From 1st January 1847 to 15th June 1847 -	15,600	16,866,200 – –	14,159	3,960,260 8 8
Total Bills signed from 1st January 1845 to 15th June 1847 - - - - - -	42,033	52,650,438 1 1	48,768	17,739,217 10 7
Total Bills signed from 1st January 1842 to 15th June 1847 - - - - - -	93,996	157,003,472 8 10	92,711	40,979,950 13 10
Total Bills signed from 1st January 1842 to 15th June 1847, by the Comptroller-general and by the Assistant Comptroller - - - - - - - -			186,707	197,983,423 2 8

AN ACCOUNT of the Number of Exchequer Bills, Credits, Acquittances, Irish Transfers, and Irish Acquittances, signed by the Comptroller-general and by the Assistant Comptroller, from 1st January 1845 to 15th June 1847.

DATE.	Signed by Comptroller-general.					Signed by Assistant Comptroller.				
	Exchequer Bills.	Credits.	Acquittances.	Irish Transfers.	Irish Acquittances.	Exchequer Bills.	Credits.	Acquittances.	Irish Transfers.	Irish Acquittances.
1845:										
January and February	91	149	151	52	51	17	20	15	9	–
March and April -	7,651	200	177	65	60	6,500	8	–	4	–
May and June - -	3,766	90	72	36	30	12,550	74	79	20	14
July and August -	67	152	104	43	42	–	66	68	28	12
September and October	–	–	–	–	–	27	206	167	73	42
November and December	55	101	79	33	19	–	77	76	29	24
Total in Year ended 31 December 1845	11,630	692	583	229	202	19,094	451	405	163	92
1846:										
January and February	8	135	139	58	34	–	22	19	7	11
March and April -	7,621	178	140	44	45	6,453	32	46	15	16
May and June - -	7,161	137	121	46	28	9,030	38	40	13	13
July and August -	13	95	113	44	37	10	88	56	26	25
September and October	–	–	–	–	–	2	209	147	80	34
November and December	–	45	21	10	8	20	125	138	41	34
Total in Year ended 31 December 1846	14,803	590	534	202	152	15,515	514	446	182	131
1847:										
January and February	–	76	60	27	4	–	91	92	38	38
March and April -	7,520	126	86	39	11	6,317	82	95	37	42
May and to 15 June -	8,080	94	80	36	32	7,842	59	47	16	11
Total from 1 Jan. to 15 June 1847 -	15,600	296	226	102	47	14,159	232	234	91	91
Total from 1 Jan. 1845 to 15 June 1847 - - -	42,033	1,578	1,343	533	401	48,768	1,197	1,085	436	314

AN ACCOUNT of the Number and Amount of ROYAL ORDERS and TREASURY WARRANTS Examined and Controlled by the Comptroller-general, and by the Assistant Comptroller, from 1 January 1845 to 15 June 1847.

DATE.	CONTROLLING OFFICER.	ROYAL ORDERS.		TREASURY WARRANTS.	
		Number.	Amount.	Number.	Amount.
			£. s. d.		£. s. d.
In the year ended 31st December 1845 - -	Comptroller-general -	121	30,573,076 – –	270	89,651,797 14 1
	Assistant Comptroller -	18	6,392,689 – –	113	19,285,258 13 –
In the year ended 31st December 1846 - -	Comptroller-general -	90	29,612,421 – –	221	70,639,573 10 5
	Assistant Comptroller -	29	8,826,423 6 10	144	40,542,670 5 11
From 1st January 1847 to 15th June 1847 -	Comptroller-general -	18	5,530,479 – –	74	33,807,911 1 8
	Assistant Comptroller -	12	11,930,642 6 9	78	29,754,047 6 11
TOTAL from 1st Jan. 1845 to 15th June 1847 -	Comptroller-general -	229	65,715,976 – –	565	194,099,282 6 2
	Assistant Comptroller -	59	27,149,754 13 7	335	89,581,976 5 10

AN ACCOUNT of the Number and Amount of EXCHEQUER BILLS signed by the Comptroller-general and by the Assistant Comptroller, and of the Number of Days on which the Bills were signed, from 1 January 1845 to 15 June 1847.

DATE.	OFFICER SIGNING.	EXCHEQUER BILLS.		Days on which the Bills were Signed.
		Number.	Amount.	
			£. s. d.	
In the year ended 31st December 1845	Comptroller-general - -	11,630	17,972,946 12 3	37 days.
	Assistant Comptroller - -	19,094	8,621,029 4 3	33 –
In the year ended 31st December 1846	Comptroller-general - -	14,803	17,811,291 8 10	28 –
	Assistant Comptroller - -	15,515	5,157,927 18 8	26 –
From 1st January to 15th June 1847	Comptroller-general - -	15,600	16,866,200 – –	23 –
	Assistant Comptroller -	14,159	3,960,260 8 8	24 –
TOTAL from 1st January 1845 to 15th June 1847 - - -	Comptroller-general - -	42,033	52,650,438 1 1	88 –
	Assistant Comptroller - -	48,768	17,739,217 11 7	83 –

The Exchequer Bills contained in this Account were made out, signed, and issued by the Comptroller-general and Assistant Comptroller, under the general powers and authorities of the 4 & 5 Will. 4, c. 15; 5 & 6 Will. 4, c. 66; 48 Geo. 3, c. 1; 57 Geo. 3, c. 48; 2 & 3 Will. 4, c. 125; 3 Vict. c. 10; 6 & 7 Vict. c. 63; 6 & 7 Vict. c. 87; 7 Vict. c. 14; 8 Vict. c. 23; 8 & 9 Vict. c. 129; 9 Vict. c. 15; and 10 Vict. c. 19; the Annual Ways and Means Acts; and the Treasury Warrants issued in pursuance thereof.

By the Order of the House of Commons the period of each Exchequer Bill is called for; but the "period" of each issue being an ambiguous term, it may refer to the date of signature, the date of the Bills, the date at which the several Bills are delivered by the Comptroller-general to the persons duly authorised to receive them, or the period for which each Bill is current bearing interest, and before it is exchangeable for money or duties. On the latter supposition, the Return is as follows:

All Supply Bills, exchanged in March and June annually, are payable 12 months after date.

The Deficiency Bills are payable out of the growing produce of the current quarter.

The Exchequer Bills (Public Works), per 3 Vict. c. 10, are payable 12 months after date.

The Exchequer Bills (West India Relief), per 2 & 3 Will. 4, c. 125, are payable 12 months after date.

The Exchequer Bills (West India Relief), per 6 & 7 Vict. c. 63, are payable within three years from the date.

If by the word "period" is meant the period of signature, that information is given in the preceding Account.

If

If by the word "period" is meant the time at which the Bills are delivered to the parties authorised to receive them, the following Account will give the information required, so far as relates to the several deliveries of Supply Exchequer Bills to the Paymasters, from the 1st January 1845 to the present time.

Date of Bills, and of Delivery to Paymasters.	Number of Bills.	Amount of Bills.	Of which there were Signed				Attendance of Comptroller-general.
			By Comptroller-general.		By Assistant Comptroller.		
			Number.	Amount.	Number.	Amount.	
		£.		£.		£.	
18 March 1845 - -	14,032	9,024,900	7,545	7,545,000	6,487	1,479,900	In attendance.
17 June — - - -	16,259	9,269,600	3,750	3,750,000	12,509	5,519,600	In attendance.
17 March 1846 - -	14,002	9,031,900	7,565	7,565,000	6,437	1,466,900	In attendance.
16 June — - - -	16,164	9,268,400	7,140	7,140,000	9,024	2,128,400	In attendance.
16 March 1847 - -	13,741	8,871,100	7,442	7,442,000	6,299	1,429,100	In attendance.
15 June — - - -	15,911	9,138,400	8,073	7,248,200	7,838	1,890,200	In attendance.
Total Supply Bills issued from 1 January 1845 -	90,109	54,604,300	41,515	40,690,200	48,594	13,914,100	

The following Account will in like manner show the Date of the Quarterly Issues of Deficiency Bills to the Bank of England for the same time.

Date of Bills, and of Issue to the Bank of England.	Number of Bills.	Amount of Bills.	By whom Signed.	Attendance of Comptroller-general at time of Issue.
		£. s. d.		
6 January 1845 - -	44	1,398,000 - -	Comptroller-general - -	In attendance.
7 April — - -	55	2,300,000 - -	Comptroller-general - -	In attendance.
7 July — - -	33	1,285,000 - -	Comptroller-general - -	In attendance.
20 October — - -	16	800,000 - -	Assistant Comptroller - -	Not in attendance.
6 January 1846 - -	8	280,000 - -	Comptroller-general - -	In attendance.
6 April — - -	37	1,413,000 - -	Comptroller-general - -	In attendance.
6 July — - -	13	570,000 - -	Comptroller-general - -	In attendance.
14 Dec. — - -	20	727,483 11 11	Assistant Comptroller - -	Not in attendance.
6 April 1847 - -	78 9	2,000,000 - - 285,000 - -	Comptroller-general - - Assistant Comptroller - -	Not in attendance.
Total Quarterly Issues from 1 January 1845 -	313	11,058,483 11 11		

The dates of the issues and deliveries of the Miscellaneous Bills are not added to these Accounts, but the dates of signatures are all included in the first Account.

In the year 1845 the Comptroller-general attended at his office for 195 days; he was absent during the same year 116 days. In the year 1846 he attended for 181 days, and was absent 130 days. Since the 1st January 1847 he has attended 102 days, and has been absent 38 days.

The 90,801 Exchequer Bills, of the value of 70,389,655*l.* 12*s.* 8*d.*, included in the first Account, have been all made out, sealed, and signed at the Exchequer, Whitehall Yard; all, with the exception of some Miscellaneous Bills, being printed, and the mechanical numbering completed at the office of Messrs. Perkins, Bacon & Petch, under the inspection of the Superintendent of Printing, and according to regulations introduced by the present Comptroller-general, and sanctioned by the Treasury. All the Exchequer Bills have been signed by the Comptroller-general and the Assistant Comptroller, as shown in the preceding Accounts, under the authority of the Acts 4 & 5 Will. 4, c. 15, and 5 & 6 Vict. c. 66, and of the several Warrants directing such Bills to be made out. These authorities apply to the whole number of Exchequer Bills made out, whether during the Comptroller-general's attendance or in his absence.

Exchequer, 15 June 1847.

Monteagle, Comptroller-general.

Appendix, No. 12.

Comptroller-general to Treasury, 1 January 1850.

My Lords, Exchequer, 1 January 1850.

In reply to your secretary's letter of the 29th October, relative to the estimates for this office, I can assure your Lordships that I shall be sincerely desirous of lending my best assistance to any economical reduction which may be made, consistently with the interests of the public service.

Were it not for the peculiarities of the duty ere, as connected with Exchequer bills, their preparation, signature, and issue, I think so. e reductions might be made. But the system adopted for the security of the public, as r commended by me and sanctioned by the Treasury, has worked so well that I should be reluctant to overturn or disturb it, and certainly should not propose on my own responsibility to do so.

I have suggested on former occasions that if the Weights and Measures Department was disconnected from the Exchequer, and placed at the Mint, as an executive department, some slight saving might by possibility be made. But I apprehend that for the most part it would rather be a transfer than a saving of expense, and the trial of the Pyx must of course be continued independently of the Mint, on which department it acts as a check.

I have since my appointment recommended to your Lordships the reduction of two out of four watchmen, and one out of four messengers; and I should suggest that before either of the two next vacancies in the offices of junior clerks are filled up, the Comptroller-general should be called on to examine and report to your Lordships on the possibility of reducing the number.

The power of doing this would much depend on the efficacy of the establishment at the time; I have every reason to feel satisfied with the zeal and accuracy of the gentlemen acting under me.

The contingent expenses have been carefully revised and reduced. If the Exchequer bill operations be excluded from the contingencies, the sum estimated for other purposes is but 300 *l.*

The preparation of Exchequer bills costs the public for paper-making £. 400

Superintendence of ditto - - - - - - - -	30
Engraving and Printing - - - - - - - -	180
Superintendent - - - - - - - - -	30
Counterfoils - - - - - - - - -	10
	£. 650

This is a considerable sum; but if we adhere to our present system, I do not see how it can safely be reduced.

I have, &c.
(signed) *Monteagle*, Comptroller-general.

The Lords Commissioners of Her Majesty's Exchequer.

P.S.—Since writing the above, I have read the report of the Commission on the Mint, and have considered their observation, p. 15–16, in relation to the transfer of the Weights and Measures Department from this office to the Mint; and it seems to me that whilst the change, as I have already stated, will be a doubtful economy, the objections urged by the Commissioners to such a proposal seem to be unanswerable.

Comptroller-general to Treasury, 17 September 1850.

My Lords, Derwent Island, Keswick, 17 Sept. 1850.

I did myself the honour of reporting verbally to your assistant-secretary the vacancy occasioned in this office by the unexpected death of Mr. Charles Barratt.

* * * * * * * * * * *

I requested Sir C. Trevelyan, at the same time, to submit to your Lordships the expediency of not filling up the vacancy thus produced, as I was desirous, in completion of the recommendation which I had already made to your Lordships, and of the instructions which I had received from your Board, to make a further reduction in the expenses of this office, provided it could be effected without prejudice to the public service, and without injustice to the persons now employed.

After full consideration, I have the honour of submitting to your Lordships an arrangement by which an immediate saving may be made, and the number of clerks may be reduced from seven to six, which will be the result of not filling up the vacancy of junior clerk, but filling up Mr. Barratt's by a promotion within the office of the clerks next in succession.

* * * * * * * * * * *

I have, &c.
(signed) *Monteagle*, Comptroller-general.

Treasury to Comptroller-general, 1 October 1850.

My Lord, Treasury Chambers, 1 October 1850.

I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordships, with reference to your letter of the 17th instant, that my Lords are pleased to approve of the arrangements which you propose to make in your office in consequence of the death of Mr. Charles Barratt, the second clerk therein.

I have, &c.
(signed) *C. E. Trevelyan.*

The Comptroller-general of the Exchequer.

Appendix, No. 12.

F. F. Ottey, to Comptroller-general, 14 February 1854. (Enclosed in Letter to Treasury of the same date.)

My Lord, Exchequer, 14 February 1854.

According to your Lordship's directions to inquire in the several departments in this office, and to consider if the request to which you allude as made from the Treasury, for the services of one of the junior clerks in the Exchequer, for the next two months to assist in the business of the Treasury, I have received from Mr. Frederick, the accountant, from Mr. Chisholm, the senior clerk in the Exchequer Bill-office, and from Mr. Woodfall, who is in superintendence of the department for the entry of warrants and credits, and for Parliamentary accounts, their opinion that it would not only be extremely inconvenient to dispense with the services of any one of the clerks of the office at the present period of the year, when the most important duties of the office are performed, but that it would materially interfere with the due execution of those duties.

I have, &c.

The Lord Monteagle, &c., &c. (signed) *F. F. Ottey*, Chief Clerk.

Comptroller-general to Sir C. E. Trevelyan, 14 February 1854.

My Dear Sir, Exchequer, 14 February 1854.

I received a note from Mr. Stephenson, inquiring whether I could spare a clerk from this department for some time, to assist in the Treasury. I immediately directed an examination into the state of the business; and I much fear that, at this moment, when we are preparing for the exchange of Exchequer bills, and the arrangement of the annual accounts for Parliament, it would be impossible, without risk, to part with a clerk. You remember that, on my recommendation, you have already reduced the establishment by one clerk. After the 9th of June I think I could help you, provided the new functions respecting the revenue payments do not render some reconstruction of the department advisable.

I enclose you the Reports of my chief clerk.

I am, &c.,

Sir C. E. Trevelyan, K.C.B., &c., &c., &c. (signed) *Monteagle.*

ESTABLISHMENT OF EXCHEQUER.

	1832.		1847.		1856.	
	Number of Persons.	Salaries.	Number of Persons.	Salaries.	Number of Persons.	Salaries.
		£. s. d.		£.		£. s. d.
Chief officers - -	6	16,200 – –	1	2,000	1	2,000 – –
Deputies and principal clerk - - -	5	5,200 – –	1*	1,000	1*	1,000 – –
Clerks - - - -	42	18,803 18 1	12†	3,985	11†	3,840 – –
	53	40,203 18 1	14	6,985	13	6,840 – –
Messenger, &c. - -	21	2,525 – –	7	661	5	540 – –
Total - - - £.	74	42,728 18 1	21	7,646	18	7,380 – –
Saving - - - -					56	35,348 18 1
					74	42,728 18 1
Total Saving in 22 years, from 1834 to 1856 - - - £.						777,675 17 10

* This refers to the Assistant-Comptroller.

† Including three clerks in the Exchequer Bill Department, and two in the Department of Weights and Measures.

Exchequer, 26 June 1856.

To the Honourable the Commons of Great Britain and Ireland in Parliament assembled, Appendix, No. 12.

The Petition of the undermentioned Clerks in the Office of the Comptroller-general of the Exchequer,

Showeth,

That your petitioners humbly beg to refer to the new scale of superannuation allowances proposed in the Bill now before Parliament, to be granted to civil officers appointed previously to 5th August 1829.

That your petitioners were all so appointed, and that the new, as compared with the present scale, would, in the event of their superannuation, tend to inflict a considerable loss upon them.

That this loss would be as follows:

After 35 years' service (or other quinquennial periods) a loss equal to $\frac{4}{60}$ of their salaries.

„ 36 years' service = $\frac{3}{60}$ „

„ 37 „ „ = $\frac{2}{60}$ „

„ 38 „ „ = $\frac{1}{60}$ „

That it is true that after 39 years' service (or the year before the completion of any quinquennial period) the amount of superannuation allowance would appear to be the same under both scales; still, even in this case, the benefit of a near prospect of a further addition of $\frac{1}{12}$, under the present scale, would be lost to your petitioners.

That this diminution, equal to $\frac{1}{15}$ or 6 $\frac{2}{3}$ *l.* per cent. of the amount of salary, at the quinquennial periods when retirement from office usually occurs, would inflict a still greater loss per cent. calculated upon the amount of superannuation allowance under the present scale; and that this loss per cent. would increase in inverse proportion to the length of service. Thus the actual loss to your petitioners would be, after 45 years' service, about 7 $\frac{1}{2}$ *l.* per cent., and after 30 years' service it would be 10 *l.* per cent., and so on.

That if one of your petitioners, the chief clerk, were superannuated at the present time under the proposed scale, he would sustain a loss of not less than 60 *l.* per annum as compared with the present scale; and that the loss to your other petitioners, under similar circumstances, though actually less in amount, would in reality be still more severely felt by them.

That on the abolition of the ancient Exchequer in 1834, a large number of its officers were compelled to retire on the full amounts of superannuation allowances by the Act 4 & 5 Will. 4, c. 24, to be allowed to persons who had entered the public service previously to 5th August 1829. It would act, therefore, as a severe disappointment to your petitioners, in the event of their retirement from the office, to feel that, after 20 years' more service, they should be superannuated on a lower scale of allowance than their colleagues of former days.

That this reduction in the scale of their superannuation allowances, established in the year 1834, after close investigation, is uncalled for and the more severe at the present time, when it is generally admitted that any change in the remuneration of civil officers should rather be framed for their benefit than for their disadvantage.

That there are special circumstances in the case of your petitioners, which add considerably to the hardship of the prospective loss which the proposed measure would inflict upon them.

First. The reductions which have been made in the Exchequer since their first appointments, from which your petitioners have lost the benefit of that promotion to higher office to which they stood in succession, and of more liberal remuneration for their services, which they had every prospect of attaining on appointment to their original office. 1.—Reductions in the Office.

The reductions made in 1834, both in the number of clerks and scale of salaries, will be seen by the following comparison of the present establishment of the Exchequer (exclusive of juniors) with those of the late auditor of the Exchequer and Clerk of the Pells, to which offices your petitioners were all originally appointed.

Appendix, No. 12.

PRESENT ESTABLISHMENT of the EXCHEQUER.

Principal Office.	Minimum Salary.	Annual Increase.	Maximum Salary.	Present Salary.	Years since attaining Maximum.	Years in present Seats.	Total Length of Service.	Age next Birthday.
	£.	£.	£.	£.			*Years.*	
F. F. Ottey, chief clerk	800	20	900	900	7 $\frac{8}{12}$	12 $\frac{8}{12}$	45	61
G. S. Frederick, accountant - -	500	10	550	550	7 $\frac{8}{12}$	12 $\frac{8}{12}$	32 $\frac{1}{12}$	51
E. Welch, 1st clerk -	250	10	300	300	8 $\frac{8}{12}$	12 $\frac{8}{12}$	31	48
H. T. Woodfall, 2d ditto	200	10	300	300	5 $\frac{8}{12}$	5 $\frac{8}{12}$	27 $\frac{0}{12}$	48
Exchequer Bill Issuing Office:								
H. W. Chisholm, senior clerk - - -	500	10	550	550	8 $\frac{8}{12}$	13 $\frac{8}{12}$	31 $\frac{0}{12}$	47
J. K. Blake, 1st assistant	200	10	250	250	$\frac{8}{12}$	5 $\frac{8}{12}$	26 $\frac{0}{12}$	47
Weights and Measures' Department:								
J. Bowen, superintendent - - -	300	10	400	400	9 $\frac{8}{12}$	20 $\frac{8}{12}$	29 $\frac{0}{12}$	49

Establishment of Auditor of the Exchequer, previously to 1834.

——	——	Minimum per Annum.	Annual Increase per Annum.	Maximum per Annum.
		£. s. d.	£. s. d.	£. s. d.
Principal office - - -	Chief clerk - -	- - -	- - -	1,200 - -
	Clerk of debentures -	- - -	- - -	900 - -
	Clerk of issues - -	- - -	- - -	750 - -
	Clerk of cash book -	500 - -	20 - -	700 - -
	Three assistant clerks	250 - -	15 - -	450 - -
Exchequer Bill Department -	Senior clerk - -	500 - -	20 - -	700 - -
	Assistant - -	250 - -	15 - -	450 - -
Tally Writers' ditto - -	Senior clerk - -	500 - -	20 - -	700 - -
	Assistant - - -	250 - -	15 - -	500 - -
Examiners - - - -	Senior clerk - -	500 - -	20 - -	700 - -
	Assistant - - -	250 - -	15 - -	450 - -

Establishment of Pells Office (Reduced Scale, commencing 31st July 1823).

——	——	Minimum perAnnum.	Annual Increase per Annum.	Maximum per Annum.
		£. s. d.	£. s. d.	£. s. d.
Principal office - - -	- Clerk of exitus and receiver of fees.	- - -	- - -	950 - -
	Clerk of introitus -	- - -	- - -	900 - -
	Clerk of declarations	500 - -	10 - -	600 - -
	Clerk of patents -	400 - -	10 - -	500 - -
	Clerk of debentures -	300 - -	10 - -	400 - -
	Clerk of cash book -	200 - -	10 - -	300 - -

2.—Very slow promotion.

2dly. Upon the constitution of the new Exchequer in 1834, your petitioners were all specially selected from the former establishment. But they were much more of one age than would otherwise have been the case, and their promotion in the present Exchequer has been thereby much delayed, as compared with what might have been expected in the ordinary course.

This delay of promotion affects some of your petitioners the more severely, as a great and unusual difference exists between the salaries of the several grades.

The slowness of promotion in this department is strongly evidenced by the following facts:—

That

That amongst your petitioners the one who has served the least number of years, viz. 26 ¾ years, has only yet attained the first step above the grade of junior clerks, and that his salary did not exceed 200 *l.* per annum till after twenty-one years' service; and, Appendix, No. 12.

That the clerk next below him in seniority (who was not appointed till immediately after 4th August 1829), is still in the grade of junior clerks, after twenty-six years' service, notwithstanding that he has obtained every promotion that has been open to him, and that he is only now in the fourth year of the enjoyment of his maximum salary of 200 *l.* per annum, from which both the Superannuation Tax and Income Tax are deducted.

3dly. The very reduced scale of salaries in the present establishment of the Exchequer, with the exception alone of that of the chief clerk. 3.—Unusually low salaries.

Your petitioners very respectfully but earnestly beg to be permitted to draw your special attention to this last allegation, as the amount of salary is an important part of the question, and it is acknowledged that the remuneration of the Civil Service is partly by salary and partly by Superannuation allowance. It is, in fact, the amount of salary which regulates the amount of their prospective Superannuation allowance.

These salaries were fixed in 1834, when the new Exchequer was established in accordance with the recommendations of the Commissioners of Public Accounts, who made their first and only report upon the Exchequer in 1831. At that period the spirit of economical reform was at its height, and your petitioners have always painfully felt that it was carried out with unusual severity in this department, upon which it first fell.

Although many onerous and responsible duties have been added to this department since 1834, no additional remuneration has been granted, with the exception of the alteration of the annual increase from 5 *l.*, as originally fixed, to 10 *l.*, and the addition of 100 *l.* a year to the salary of the chief clerk. These occurred in 1837, at the period when the Irish Exchequer was annexed to this department.

On various occasions, representations have been made to the authorities at the Treasury on the subject of the remuneration of your petitioners in individual cases, and of the inadequacy of their salaries; and on the 11th June and 15th August 1855, the whole subject was brought before the Treasury Board, when the Comptroller-general "most conscientiously recommended the favourable attention" of the case of your petitioners, "was confident that their Lordships would be pleased to consider these most disastrous cases," and "with an earnest desire that their Lordships may consider them favourably."

On these occasions the Comptroller-general also "bore the strongest and most willing testimony to the zeal, ability, and accuracy with which these gentlemen have discharged their functions, and the readiness with which they have applied themselves to any extraordinary labour which the public service has cast upon them," and "to the increased labour of the department, as well as the precision with which these increased and increasing duties are performed." He also added, "that even if their Lordships should be of opinion that the present scale should be maintained hereafter, there is still strong claim in justice on behalf of the present clerks, from the great peculiarity of their position, as compared with that of their successors."

Their Lordships, however were pleased, on the 16th October last, to express "their regret that they could not at present entertain the applications."

The reduced scale of salaries in the Exchequer, as compared with the salaries in analogous departments of the public service, is shown by the following Table:—

	Chief Clerk.	Accountant, or similar Special Officer.	Senior Clerks, &c.	Assistants.
	£. £.	£. £.	£. £.	£. £.
Board of Trade	— — — —	1 at 500 — 1 at 800 to 1,000 1 at 800 — 1 at 600 to 800 1 at 600 to 1,000 2 at 500 to 800	6 at 300 to 600	9 at 300 to 500
Audit Office (Secretary)	1 at 800 to 1,000	1 at 600 to 800	10 at 500 to 600 1 at 400 to 550 16 at 400 to 500	21 at 300 to 350
Council Office	1 at 900 —	1 at 1,000 — 1 at 500 —	1 at 700 —	1 at 550 —
Admiralty	1 at 1,000 —	1 at 1,000 —	10 at 600 to 850	12 at 350 to 550
Home Office	1 at 950 —	1 at 720 — 1 at 540 —	4 at 600 to 800	4 at 350 to 545
Foreign Office	1 at 1,250 —	1 at 800 — 1 at 600 to 800 1 at 300 to 500	7 at 700 to 1,000	16 at 350 to 545 1 at 200 to 500
War Department	1 at 1,000 to 1,250	— — — —	3 at 600 to 1,000	4 at 350 to 545
Colonial Office	1 at 1,000 —	1 at 1,000 — 1 at 800 —	5 at 600 to 1,000	5 at 350 to 545
Treasury (Principal)	4 at 1,100 to 1,500	1 at 600 to 800	7 at 600 to 800	15 at 300 to 500 1 at 350 to 450
Treasury (Chief)	2 at 1,000 —			
Exchequer	1 at 800 to 900	1 at 500 to 550	1 at 500 to 550 1 at 300 to 400	2 at 200 to 300 1 at 200 to 250

Appendix, No. 12.

That under these special circumstances as regards the disadvantages they have laboured under from reduction in the office, slowness of promotion, and unusually low salaries, your petitioners humbly entreat that they may not at least have a further loss in their prospects inflicted upon them by a measure brought forward professedly to benefit the Civil Service, and to remedy acknowledged grievances.

And your petitioners will ever pray, &c.

(signed) *F. F. Ottey*, Chief Clerk.
G. S. Frederick, Accountant.
E. Welch, 1st Clerk.
H. T. Woodfall, 2d ditto.
H. W. Chisholm, Senior Clerk, Exchequer Bill Department.
J. K. Blake, 1st Assistant ditto.
J. Bowen, Superintendent of Weights and Measures.

Exchequer, 5 March 1856.

RETURN of the Number of Royal Orders, Treasury Warrants, Letters of Direction, and Comptroller-general's Warrants, Specification Papers, and Acquittances received by or issued from the Exchequer in the year 1841; specifying the Value under each Head of Service, and distinguishing Great Britain from Ireland.

	GREAT BRITAIN.		IRELAND.	
	Number.	Value.	Number.	Value.
		£.		£.
Royal Orders	111	40,601,000	27	396,000
Treasury Warrants	217	58,900,000	152	2,055,000
Letters of direction from the Treasury	1,101	40,794,000	362	2,267,000
Comptroller-general's warrants by credit or transfer (including 20,469,100 *l.* exchange of Exchequer Bills)	1,325	95,171,000	427	3,874,000
Specifications for revenue	1,720	73,781,000	—	—
Acquittances on receipt of revenue	908	73,781,000	335	3,967,000

Exchequer, 24 February 1842.

Monteagle, Comptroller-general.

Appendix, No. 12.

STATEMENT of ACCOUNTS made out Periodically in the Office of the Comptroller-general; viz.

	GREAT BRITAIN. Number.	IRELAND. Number.
Annual accounts to Parliament, showing the amount of all monies received, of all Royal Orders and Treasury Warrants, and of the credits and transfers, the payments by the Bank of England, and the balances remaining	2 (Und Kingdom.)	
Annual accounts of imprest monies	2	–
" surplus fees	2	–
" hereditary revenues	2	–
" unclaimed dividends	2	–
" money paid by East India Company	2	–
Annual accounts to the Treasury of the receipts and expenditure, showing also the balances at the beginning and ending of the year (with six Appendices)	1 (Und Kingdom.)	
Annual and quarterly accounts of revenue	4	4
Quarterly accounts of revenue	4	4
Weekly " "	208 (Und Kingdom.)	
Weekly certificates	52 (Und Kingdom.)	
Quarterly accounts of advances out of Consolidated Fund	4	4
" miscellaneous services	4	4
" imprest monies	4	4
" repayments of advances	4	4
" income and charge, Consolidated Fund	36	–
Annual account of increase and diminution of establishment	3	–
" estimate of salaries, &c.	2	–
Quarterly accounts to the Audit Office; viz.—		
Payments into the Exchequer	4	4
Comptroller-general's credits and transfers	4	4

Exchequer, 24 February 1842.

Monteagle, Comptroller-general.

AN ACCOUNT of the Number of Credits, Acquittances, Irish Transfers, and Irish Acquittances, signed by the Comptroller-general and by the Assistant Comptroller of the Exchequer, in each Year from 1842; showing also the Number and Amount of all Exchequer Bills and Exchequer Bonds signed, and of all Royal Orders and Treasury Warrants controlled at the Exchequer in the same Periods.

YEAR.	Credits.	Acquittances.	Irish Transfers.	Irish Acquittances.	Royal Orders.		Treasury Warrants.		Exchequer Bills.		Exchequer Bonds.	
					No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
						£.		£.		£.		£.
1842	–	–	–	–	–	–	–	–	32,655	44,262,476	—	—
1843	1,279	1,000	429	313	–	–	–	–	32,113	48,296,657	—	—
1844	1,184	971	434	307	141	46,133,928	387	136,292,421	31,138	35,014,633	—	—
1845	1,143	988	392	294	139	36,965,765	383	108,937,056	30,724	26,593,975	—	—
1846	1,104	980	384	283	119	38,438,844	365	111,182,243	30,318	22,969,219	—	—
1847	1,183	977	405	287	144	31,755,959	389	87,706,125	29,799	22,273,400	—	—
1848	1,271	988	407	303	190	41,864,050	424	101,541,622	29,325	22,235,184	—	—
1849	1,280	1,049	425	399	130	38,793,634	393	92,584,626	29,067	19,016,285	—	—
1850	1,163	1,089	409	400	141	34,602,102	360	78,767,095	28,828	17,828,042	—	—
1851	1,155	1,098	376	392	124	46,020,801	315	111,180,990	28,948	19,224,791	—	—
1852	1,174	1,121	369	426	132	38,268,696	314	96,751,946	28,915	21,021,415	—	—
1853	1,160	1,146	381	413	126	40,815,256	317	114,858,202	28,514	25,089,754	524	408,900
1854	1,295	1,305	380	433	107	55,246,586	351	156,624,742	28,540	40,002,485	22,654	6,009,400
1855	1,455	1,228	427	384	214	91,811,111	369	178,981,985	32,444	31,825,117	—	—

Exchequer, 30 June 1856.

Appendix, No. 13.

Appendix, No. 13. PAPERS delivered in by the Right Honourable the Lord *Monteagle* of *Brandon*, 3 July 1856.

LIST OF BOOKS—EXCHEQUER.

Accountant.

Journal, Dr. and Cr., Weekly.—Dr. 1st. Balances brought forward.

2d. Abstract daily of revenue received during the week.

Cr. Entry of daily credits and transfers issued by the Comptroller-general to the Banks of England and Ireland, showing in detail the issues during the week, under each head of account, the ways and means applicable to them, and the balances at the close of the week at the respective banks.

Ledger.—Distinct accounts opened with Banks of England and Ireland, credits and transfers entered as they are granted and posted from the journal, daily payments as they are made from the Exchequer accounts at the Bank of England under each head of service.

Cash Book, Dr. and Cr.—Abstract from the journal of receipt and issues, in order to show readily from day to day the available balance of money.

Ways and Means, and Supply Book.—Account of the several amounts of ways and means granted by Acts of Parliament, and of all issues for supply services under votes of Parliament out of each grant, showing at all times the state of the balance on each grant.

Cash Papers.—Showing a weekly balance of the several funds at the Banks of England and Ireland, as appropriated at the Exchequer to their several periods quarterly, on the Consolidated Fund, Civil List, &c.

Consolidated Fund Charge, Great Britain.—Statement in detail of the charges made quarterly on the Consolidated Fund under Acts of Parliament.

Income and Expenditure Account, Dr. and Cr.—Statement of the income of Great Britain and Ireland under their respective heads of revenue for the year, made up at the termination of each quarter.

The issues for Consolidated Fund charges and supply services under their several heads with their total amount, shewing the excess either of income or expenditure.

Bank Balance Book.—Showing the state of the balances at the Bank of England at the commencement of the week on credits issued by the Comptroller-general, the credits issued within the week and the payments by the Bank of England, and the balances at the Bank of England on each particular account at the close of the week.

Weekly Certificate.—An account made up weekly and transmitted to the Treasury, of all receipts and issues during the week, with an abstract account showing the state of the balances on the several funds at the Banks of England and Ireland, as appropriated at the Exchequer.

Civil List Book.—An account of the amounts appropriated to each class quarterly of the Civil List, and of the issues on each class, showing the balances made up weekly.

Daily Receipt Book.—Shows at every opening columns for each day of the week, the items of receipt, being entered on the same line from day to day, and added together by cross casting, appear in the final column as the totals on each head, and supply the requisite information for preparing the income side of the weekly certificate to the Treasury, as also the amounts necessary for making up the weekly account book.

Weekly

Weekly Account Book.—Contains the amount in totals of each week's head of receipt, and its progressive increase throughout the quarter; from this book is prepared the account of revenue, showing the weekly and progressive amount of receipts.

Quarterly Account Book.—States the amount on each head of receipt brought to account during the quarter.

Yearly Account Book.—Shows at the termination of each quarter, the amount of the four quarterly totals of each head of receipt as above, producing the amount for the year stated in the annual account rendered to Parliament by Act 4 & 5 Will. 4, c. 15, and in accounts transmitted to the Treasury quarterly.

Four similar books are kept for the Irish revenue.

Audit Account Book.—Shows an exact copy of each account of revenue, which is sent to the Audit-office, now monthly, under the direction of Treasury Minute of 25 September 1855, founded on the Act 18 & 19 Vict. c. 96. Previously to October 1855, the audit account was transmitted quarterly as directed by the Act 4 & 5 Will. 4, c. 15, s. 23.

Irish Audit Account Book.—The account of revenue arising in Ireland, which is made up quarterly for the Commissioners of Audit.

Book of Entry of Specification Papers (now of Revenue Certificates and Receivable Orders, &c., substituted for them by Treasury Minute of 25 September 1855).—Contains day by day a detailed entry of each item of receipt, by whom paid in, on what account, &c., and is the record of all sums received into the Exchequer.

Account Book.—Shows quarterly the details of the amounts received on certain classes of payments into the Exchequer, viz.: "Repayments of Advances," Imprest Monies, &c., Surplus Fees, Hereditary Revenues, and other public monies; and up to 31st March 1854 supplied to the Treasury a portion of the annual finance accounts signed by the Comptroller-general of the Exchequer, and embodied in the yearly accounts presented to both Houses of Parliament pursuant to Acts 42 Geo. 3, c. 70, and 56 Geo. 3, c. 98. Quarterly statements of "Repayments of Advances," and "Imprest Monies, &c.," are prepared for the Treasury from this book.

Irish Account Book.—Answers a similar purpose.

Posting Book of Payments into the Exchequer.—Is of the nature of a ledger; from the daily receipt book is posted to it every item of receipt under its proper head of account, which, being added up at the end of each month and quarter, affords a ready means of preparing and checking the audit account.

Waste Supply Book.—Shows the date of every vote of money granted by Resolution of the House of Commons, the date of every Royal order for the issue of the same, the day on which each such Royal order is received at the Exchequer, and the date of its being issued upon for the first time.

Entry Book of Certificates: "Antigua, St. Kitts, Nevis, Dominica, and Montserrat Relief Fund," by Act 6 & 7 Vict. c. 63, &c.—Certificates given by the Commissioners of Her Majesty's Treasury to parties having payments to make at the Bank of England on account of loans advanced under the Act 6 & 7 Vict. c. 63, &c., are required by the 8th section of the above Act, after payment has been made, to be brought to the Exchequer for entry in a book "provided and kept for that purpose," as a record of the fact.

Credit Book, Great Britain.—Full entry of daily issues, stating authorities by Royal order or Treasury warrant, by resolution of House of Commons or Act of Parliament, amount previously issued, and balance remaining, and the ways and means applicable. From this book the credits are posted into the Audit and Parliamentary Account Book, for the purpose of compiling those quarterly and annual accounts, as well as those to the Treasury.

Transfer Book, Ireland.—A similar book applicable to Ireland.

Royal Order and Treasury Warrant Book, Great Britain, Ireland.—For the entry of Royal orders and Treasury warrants acted on by the Exchequer.

Treasury Issuing Letter Book, Great Britain, Ireland.—Entry of the substance of directions for credits or transfers granted by the Exchequer.

Audit and Parliamentary Account Book, Great Britain, Ireland.—The credits and Bank payments thereout (for Great Britain), and transfers, Ireland, are posted into these books, and the Royal orders and Treasury warrants upon which they are founded. From these books are made up the credits and transfers accounts for the Audit-office, for the annual Parliamentary accounts, and for the quarterly Treasury accounts.

Audit Account Entry Book, Great Britain, Ireland.—For the entry of the quarterly accounts of credits and payments thereout, and of transfers rendered to the Audit-office.

Appendix, No. 13.

General Account Book.—For the entry of annual Parliamentary account, returns called for by Parliament, accounts rendered to the Treasury, &c.

Patent Book.—Authorities for charges on Consolidated Fund, appointments of Judges, and other public officers, &c.

Paymaster-General's Letter Book.—Stating the credits in his favour forwarded to the Bank.

Letter Book for other Accountants.—Of the like nature.

Weekly Revenue Account Book.—Comparative statement of revenue weekly and quarterly forwarded to the Treasury and to the Chancellor of the Exchequer.

Abstract ditto.—An abstract form of the above.

Minute Book.—Comptroller-general's orders respecting official arrangements.

Registry Book.—Brief statement of all incoming letters with reference to entries, &c.

Correspondence Book.—All correspondence on public business.

Attendance Book.—Each officer signs daily.

Waste Book.—Of credits, for the use of the chief clerk.

Exchequer Bill Issuing Department.

The following books are kept in this department:

Exchequer Bills:

Warrant Book.—In which are recorded all Treasury warrants, and all accounts relating to Exchequer bills.

Issuing Book.—On parchment, containing a record of every amount of Exchequer bills authorised to be made out; of the amounts apportioned to the several denominations of bills; of every issue of bills, showing the date, to whom issued, the amount and number of each denomination, with the numbers of the bills, the total amount issued, and remaining to be issued, also vouched by the signature of the officer who delivers the bills, and showing by whom the acknowledgment of the receipt of the bills is signed.

The six following books recording the preparation of Exchequer Bills, viz.:

Paper Book on Parchment.—A record of every order for the manufacture of Exchequer bill paper; its delivery to the Exchequer and at the printers; with the stock remaining in hand.

Printer's Order Book on Parchment.—A record of every order to print Exchequer bills; and of the execution of the order, attested by the Accountant's signature.

Printer's Book on Parchment.—A record of the quantity of paper delivered to the printer; of the quantity printed or unprinted in their hands at the close of each day; and of its delivery at the Exchequer. This book also contains a record of the steel dies, plates, &c., used for printing Exchequer bills.

Printed Paper Book on Parchment.—A record of all printed forms of Exchequer bills delivered at the Exchequer by the printers; of the number completed for issue; and the balance remaining in stock; and of the destruction of useless or cancelled printed forms.

Counterfoil and Register Book on Parchment.—A record of all counterfoils of Exchequer bills, as well as of registers or second counterfoils; showing at once in whose custody they have been placed from their original separation from the bills till they are destroyed, when no longer serviceable, under the authority of a Treasury warrant.

Signing Book on Vellum and in Duplicate.—A record made at the time of the signature of every Exchequer bill; showing the description of bills signed, and the date when signed; vouched by the signatures of the Comptroller-general or the Assistant Comptroller, by whom the bills are signed, of the Clerk of the Issuing-office in whose presence they are signed and to whom they are delivered, and of the Chief Clerk, who are jointly responsible for the custody of the bills until they are issued.

Weekly

Weekly Certificate Book.—Containing an entry of the account of Exchequer bills at the close of every week, transmitted to the Treasury. This account is continued in the same form as in the old Exchequer, and a copy of it will be seen appended to the Report on the Exchequer in 1831, page 111 (Appendix to Return, No. 2 F.) It shows the amount authorised to be raised under each Act, when payable, the rate of interest, with the total amount issued, and remaining to be issued; the amount outstanding at the close of the previous week, the amount issued in the week (the details of which are shown in an Appendix), the amount paid off in the week, and the balance outstanding at the close of the week. The amount paid off is ascertained by a certificate from the Paymaster-general's office, received weekly at the Exchequer, and which is preserved in the

Paymaster's Certificate Book.

Comptroller's Delivery Warrant Book:

No. 1. For Deficiency Bills.

No. 2. For Supply Bills (including Consolidated Fund Bills).

This book contains an entry of every warrant, signed by the Comptroller-general or Assistant Comptroller, delivered with each issue of Exchequer bills. It is addressed to the person or persons to whom the bills are issued, and it recites the authority under which they are made out and issued, the service to which they are to be applied, and specifies the particulars of the bills.

Exchequer Bonds:

For the preparation and issue of Exchequer bonds, in pursuance of the Treasury warrant of 22d July 1853, and the Comptroller-general's Minute of 30th July following, similar books are kept to those in use for Exchequer bills. They are as follows:

Warrant and Issue Book,
Paper Book,
Printers' Book,
Printed Stock Book,
Counterfoil Book,
} On parchment.

Signing Book, on vellum.

The numerous letters and minutes required in the course of preparation both of Exchequer bills and Exchequer bonds, are entered in the General Correspondence Book and Minute Book of the Exchequer. The original letters received are preserved amongst the registered papers, an index of which, according to the date of their receipt, is kept in the registry book.

Weights and Measures Office.

List of Indentures containing Entries of the numbers of the Indentures, to whom granted, a description of the Weights and Measures, when they were taken in or received, names of the Places in which they are required for use.

Minutes of Verification.—Entries of the dates when the weights and measures are found correct.

General Register.—Entries of the numbers of indentures, date when executed, names of places, &c., names of persons (custody), and a description of the weights and measures.

Fee Book.—Entries of numbers of indentures, names of makers or agents, place, &c., and amount of fee paid.

Special Register.—Entries of verifications of the decimal troy weights (per 16 Vict., c. 29), with the particulars stated, as in the general register.

Waste Book.—Notes or minutes connected with the verification of the decimal weights.

Letter Book.—The correspondence is entered in the General Correspondence Books of the Comptroller-general.

Counterparts of the indentures of verification arranged in a rack, or pigeon-holes, according to their numbers.

Appendix, No. 13.

Mr. *Masterman's* Suggestions on altering system of exchanging Exchequer Bills, Mr. *Anderson's* Observations, and Comptroller-General's Report.

Chancellor of Exchequer to Comptroller-general, 17 May 1853.

Dear Lord Monteagle, Falconhurst, Kent, 17 May 1853.

Will you kindly look at the enclosed paper of suggestions by Mr. Masterman, and comments by Mr. Anderson, with respect to the presentation annually of Exchequer bills, and the payment of the interest upon them. It is not distinctly stated, but I conclude, as matter of course, that it is not meant to alter the maturity of the bills at 12 months. At your convenience you will perhaps kindly let me know in what light these suggestions strike you.

I am, &c.
(signed) *W. E. Gladstone.*

Exchequer Bills.

Mr. *Masterman's* Suggestions, with Observations thereon by Mr. *Anderson.*

1st. That the practice of annually exchanging Exchequer bills should be discontinued.

Observation.—The practice of calling in annually one set of Exchequer bills, for the purpose of issuing another set, similar in all respects but the date, appears to me to be a clumsy expedient, attended with unnecessary risk to the public, with inconvenience to the holders, and may, I think, be advantageously discontinued. The risk to the public consists in allowing the Pay-office to handle, every year, nearly 18,000,000 of old bills, and the same amount of new bills, all payable to the bearer. The inconvenience to the holders arises from their being deprived of their securities for at least a week on each of the two exchanges of Exchequer bills. When the business of paying off the Exchequer bills was transferred to this office, in 1848, I felt this detention of the bills to be so strong an objection, that I altered the whole system adopted by the late Exchequer Bill-office, and succeeded in reducing the period required for the exchange from a fortnight to a week.

The mode suggested by Mr. Masterman, of presenting the bills at the Pay-office on claiming the half-yearly interest, in order that the interest may be indorsed on the back of each bill, would continue the prominent defects of the present system, as to risk to the public, and inconvenience to the holders. I think both might be obviated by the following simple arrangement: the Exchequer bill might be prepared, say for five years or more, with 10 or more coupons attached to it, one of which might be cut off every half year, and be presented at the Pay-office for payment of the interest due. The holder might retain his security, and the Pay-office would have a voucher for the interest paid.

2d *Suggestion.*—That the interest of Exchequer bills should be paid half-yearly, instead of annually, as at present; and that the holders should be at liberty to present their bills for the payment of interest on any day after a full half year's interest had become due.

Observation.—I see no objection to the payment of the interest of Exchequer bills half yearly instead of annually, and the holders should, I think, be at liberty to present their bills (or their coupons) on any day after the interest had become payable.*

3d *Suggestion.*—That each half year's interest, when paid, should be indorsed on the back of each bill, and that the bill should be returned to the holder.

Observation.—The half-yearly interest might be indorsed, as suggested, on the back of each bill, but, for the reasons already given, the coupon would be a more desirable mode of settling the interest, and it would, moreover, provide a voucher, which would be entirely satisfactory to the Audit Board on the examination of the Paymaster-general's accounts.

30 April 1853. *W. G. A.*

Comptroller's Observations on Mr. *Masterman's* Suggestions and Mr. *Anderson's* Remarks, for altering present system of exchanging Exchequer Bills.

The suggestions of Mr. Masterman, and the observations of Mr. Anderson, rather treat of the mechanical mode of dealing with Exchequer bills than of the more important question of the principles on which an unfunded or floating debt depends; yet the former subject, as compared with the latter one, is but as the dust of the balance, nor can the two questions be separated in answering Mr. Gladstone's inquiries.

Both Mr. Masterman and Mr. Anderson seem to concur in an opinion, that the present system of an annual exchange of Exchequer bills should be discontinued; and Mr. Anderson suggests that the bills should be issued "for five years or more, with 10 or more certificates or coupons, for interest, attached to each." To me this appears one of the most formidable propositions that could be made, and one utterly subversive of the principles on which the unfunded debt of England has hitherto rested or ought to rest.

The

* From this it would appear that Mr. Anderson contemplated a payment on demand of all bills come to 12 months' maturity.—*Monteagle.*

The direct economical advantage of the use of Exchequer bills, in its simplest result, is the means which it affords to the State of borrowing a given sum at a much lower rate of interest than can be done by permanent annuities. At the present time, when the Three per cents. scarcely exceed par, the interest on Exchequer bills *would appear* to be no more than half that amount.

This, though the most evident advantage, is, however, one of the least recommendations of the system. In a country where above 50,000,000 *l.* annually are required for the public service, where the income in a succession of years cannot escape from vicissitudes, and where European politics or colonial exigencies abundantly prove that sudden and considerable demands on the Exchequer must be provided for, above all, when the principles on which the House of Commons has for many years acted forbid the expectation of any large and permanent excess of income over expenditure, an unfunded debt is a resource which is essential to the public credit and to the public service in all ways. It is thus that an unexpected emergency can best be met. That emergency past away or overcome, the debt it has occasioned may then be most easily provided for. Or even assuming the worst alternative, and supposing a necessity that such Exchequer bills should afterwards be funded, the temporary borrowing on bills may be, in a time of peril, at a high rate of interest, paid for a short time, whilst the period of funding may be wisely selected when the market is favourable. In the first hypothesis the increase of the funded debt is altogether avoided; in the second, its permanent burthen is reduced to its lowest term.

But these advantages can only be secured by a judicious administration of that part of our financial system which requires the greatest discretion and caution.

The Exchequer bill market is of all others the most sensitive; the present amount of 18,000,000 *l.* is probably at the command of less than 400 holders. It offers the most immediate resource in times of exigency, both as an article of sale and of pledge for loans. The Exchequer bills are also used by the Bank in acting on the circulation and the exchanges, and any step taken by the Government that can throw a disfavour or discredit on these securities will be fatal to their use when most required.

It is probably from this cause that Parliament has intrusted the Treasury, *in relation to these securities alone*, with the *extraordinary power* of raising the interest to the extent of *threefold its present amount;* this power is exercised even during the continuance of existing contracts between the State and the public creditor. The absolute necessity of keeping up the buoyancy of these securities can alone justify so extraordinary a power.

It is from the same reason that it has been the uniform policy of successive Governments to avoid any excess of issue. When the present amount of the unfunded debt is compared with the Exchequer bills, the Navy bills, the Sugar bills, &c., during the war, it is only wonderful how, even during a Bank suspension, so vast an amount of bills could have been accepted by the public and maintained in circulation. From these dangers the State has now escaped, but it should be remembered to what we have owed and still owe our safety.

Convertibility, certain and at a time fixed, is our first and best security. An Exchequer bill is but the promissory note of the State at 12 months, then payable in gold at 3 *l.* 17 *s.* 10½ *d.* the ounce, to the value of the security held. A further safeguard is provided by making Exchequer bills receivable in taxes when come to maturity. These principles were carried still further a century and a half back, and considering that the denomination of Exchequer bills issued was then as low as 20 *l.*, 10 *l.*, and 5 *l.*, the precaution was necessary. The original Exchequer bills of Charles Montagu (Halifax), were in the reign of William 3, made payable *on demand*, the convertibility being thus immediate.

The annual presentation of the bills for payment is the inevitable incident of a twelvemonth's security. The acceptance of new bills, as an alternative, at the holder's option, constitutes a wholly new contract, which the State has the power of rendering more acceptable to the holders, or more advantageous to the public, by raising or lowering the interest, by funding, or by paying off.

The facility which the State possesses by law of buying Exchequer bills out of sinking fund monies, and of funding those bills according to the past average state of the market, may often be of the highest importance, and should not be overlooked.

I have dwelt on these considerations because, if they are entitled to weight, the proposal of substituting for securities payable annually bills that would run "for five years or more" would seem wholly indefensible.

I doubt whether 100 *l.* of the present Exchequer bills would be exchanged for such securities, except at a difference of interest entailing a heavy loss to the public.

I doubt whether a substitution of securities payable in five years, in place of 12 months, would not be felt as a serious blow to public credit. If in the course of a branch of trade, the ordinary rule of payment has been by 31 day bills, a proposal to substitute bills at 91 days, or six months, would be fatal to the merchant who proposed it.

I feel satisfied that securities at so long a date as five years would fail in affording the relief and confidence to mercantile credit in time of exigency which is now afforded by an Exchequer bill; neither do I apprehend that such securities would be available to the Bank in times of adverse exchanges, but would rather lie on hand, like the dead weight annuity under similar circumstances.

The yearly presentation of the bills constitutes the outward and visible proof of their convertibility. A postponement for five years would give a formidable shock to opinion. If, indeed, it is intended, though not expressed, that at any period within the five years money may still be demanded, I apprehend much uncertainty and irregularity would be the inevitable result to the Government.

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The inconvenience to the holders of parting with their securities for a few days, cannot be held of any importance when the premium at which these bills circulate is considered, so long as their amount is kept within due bounds, and the interest is not depressed unnaturally as compared with the state of the money market.

The expediency of issuing coupons for interest for "five years or more" need not be discussed, if the preceding observations have shown the danger of issuing securities at so long a date; besides which, as such coupons would require to be filled up when *issued*, it would be somewhat difficult to provide for possible variations of interest. Mr. Masterman's proposal to indorse the receipt of interest on the bill itself, though the original practice in the reign of William the Third, would seem to unite every possible disadvantage. The holder would still have to part with his security for a shorter or a longer time, and the uncertainty of the times at which these demands for interest might be made could hardly fail to be inconvenient and perplexing to the Government.

At present, *at the exchange*, an issue is made to the Paymaster-general for payment of interest. If these demands came in occasionally, it would be a temptation to resort to a practice *which I consider equally contrary to law and to the constitution; the payment of expenditure in any branch out of any funds but those specially appropriated, and issued for such head of service from the Exchequer.*

The recommendation of half-yearly payments of interest seems to me disposed of by the rate of premium which these securities bear, *under all ordinary circumstances*, in the market. Whilst I consider it fatal to take any step unnecessarily to depress these securities in the public market, I see no necessity for introducing a practice, hitherto unknown and uncalled for, adding to their value.

In a former part of this paper I omitted to state that Mr. Masterman's proposal of the receipt of interest on the back of the bill would either render a second separate voucher necessary for the one payment, or would prevent the possibility of closing the Paymaster's accounts till the bill itself was delivered up and cancelled.

The observations of Mr. Anderson call the Chancellor of the Exchequer's attention to the risk attendant on the manipulation of 18,000,000 *l.* of securities, complete in all respects, and payable to bearer. From the precautions I have felt it indispensable to adopt at the Exchequer in the preparation of these bills whilst in an incomplete state, and before they can pass into circulation, I conceive the risk at the Pay-office to be infinitely greater than mine; but I am not aware of the precautionary measures adopted in that department, though I fully assent to the extreme importance of the question raised.

For the reasons I have given, as well as many more that could be added, I dissent altogether from either of the proposals submitted to my consideration.

(signed) *Monteagle,*
Comptroller-general.

Roehampton, 21 May 1853.

My dear Lord, Downing-street, 21 May 1853.

I THANK you very much for your Memorandum on Mr. Masterman's and Mr. Anderson's suggestions. Would you kindly send me back the paper to which it refers?

I found the ambiguity to which you refer in Mr. Anderson's statement of his meaning; but I assumed his intention to be, that the bill should be capable of presentation for payment at the expiration of each 12 months, as now, but should run on from one yearly period to another, in the event of not being so presented.

This, I think, is a construction to which you have not adverted. I at once and entirely agree with you in repudiating either the change of the 12 months' into a five years' bill, or the notion of making the bills presentable for payment at any moment between the end of the first year and that of the fifth; but I doubt whether Mr. Anderson meant to make either of these suggestions.

I do not think I understand the application of the underlined passage in your memorandum to the subject of the payment of Exchequer bills.

Believe me, &c.
(signed) *W. E. Gladstone.*

The Lord Monteagle.

Comptroller-general to Chancellor of Exchequer.

My dear Sir, Exchequer, 23 May 1853.

I RETURN the paper of observations as you wish.

Your construction of Mr. Anderson's meaning is much more rational than either of the other alternatives, but it is not *patent* from the memorandum itself.

My underlined passage opens a question of the greatest importance, but I reserve it till you are free from your budget discussions, when I shall be prepared to bring before you one of the most important questions connected with the practical administration of our finances which you can be called upon to consider.

(signed) *Monteagle.*

The Right Hon. W. E. Gladstone,
&c. &c.

P.S.—If you refer to a passage in Mr. Anderson's letter, in which he states that the "*holders should be at liberty to present their bills on any day after the interest had become payable,*" you will see that he seems to exclude your hypothesis of a payment at fixed annual periods only.

DELAYS IN PAYMENTS MADE THROUGH PAYMASTER-GENERAL.

OBSERVATIONS on some of the PAYMENTS included in the sum of £. 187,445. 18. 3., placed to the Account of Her Majesty's Exchequer at the Bank of England, by the Paymaster-general, on 24 December 1855.

STATEMENT of the Paymaster-General.	OBSERVATIONS.
Fees and fines received at the Metropolitan Police Courts, per Acts 2 & 3 Vict., c. 71, and 17 & 18 Vict., c. 94.	A Treasury letter, dated 12 January 1855, states "that the Paymaster-general has "been instructed to pay to the Exchequer "Account at the Bank of England, "*Quarterly*, the *Fees, Fines*, &c., of Police "Courts, received under the provisions of "the Act 2 & 3 Vict., c. 71." The only previous payment was made by the Paymaster-general, on *3 April 1855*, part of which was described as being for the quarter ended 31 March 1855, since which period it will be seen more than eight months have elapsed; and the third sum appears to be only in part payment of the quarter for which it is due.

In quarter ended	£.	s.	d.
31 March 1855 - - -	2,684	18	9
30 June „ - - -	2,789	7	5
30 Sept. „ (in part) -	61	9	1
	£. 5,535	15	3

The Queen's and Lord Treasurer's Remembrancer.—*N. B.* viz., Collection of Fee Fund, Court of Session.

	£.	s.	d.
Quarter 31 August 1855 -	1,344	–	–
Lord Clerk Register, 30 June 1855 - -	1,114	6	4
Keeper of the Signet, 30 June 1855 - -	65	4	7
Keeper of the Register of Seisins, 30 June 1855 -	2,021	15	6
Director of Chancery, 30 June 1855 - -	698	10	3

per Act 57 Geo. 3, c. 64.

The previous payments on these accounts were made since the passing of the Act 17 & 18 Vict., c. 94, under the provisions of that Act, in addition to those of the 57 Geo. 3, c. 64, (and with the exception of five of the same kind by the Paymaster-general, on 1 October 1855,) direct to the Exchequer Account, by the Queen's and Lord Treasurer's Remembrancer.

N. B. In the present instance the latter Act is omitted.

For contributions towards salaries of official referees, under Acts 7 & 8 Vict., c. 84, and 9 Vict., c. 5, per J. Mercer, Treasurer of Kent, from December 1853 to 30 June 1855, 120 *l.*

All former payments of this description, viz., by the Treasurer of Middlesex, Treasurer of Surrey, and the Chamberlain of the City of London, were made by the parties from whom such contributions are due, direct to the Exchequer Account, at the Bank of England, under the provisions of the Act 9 Vict., c. 5, s. 6; this transfer of account was not announced to the Comptroller-general, and in passing this sum through the books of the Paymaster-general, the Treasury appear to have speedily abandoned their intentions announced by the Minute of 25 September 1855, which assumed that "Receivable Orders" would be given to those parties who had formerly made payments on Specification Papers.

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Statement of the Paymaster-general.	Observations.
Gross revenue of the "London Gazette," from 23 June to 23 November 1855, 6,354 *l.* 1 *s.* 5 *d.*	Till the death of Mr. Watts, late superintendent of the "London Gazette," the payments were made by him direct to the Exchequer Account; by Treasury letter, dated 20 September 1854, the Exchequer was informed that the Paymaster-general "had been instructed to make the payments "on account of the 'London Gazette,' "*at the close of each month*, to the account "of the Comptroller-general of the Ex-"chequer;" the last previous payment was made on *12 July 1855, as the receipts of the preceding month*, from which it may be seen that the instructions on this subject had been neglected for more than eight months.
Holyhead Roads. Interest of Loans, viz., Shrewsbury and Holyhead Roads, viz., St. Albans and South Mimms Trust Act, 6 Geo. 4, c. 100.	It should be stated that these payments are made on behalf of the Commissioners of Works, &c., as directed by Treasury letter of 6 September 1853.
	In these cases there is no statement that they are made on behalf of the Commissioners of Works.
	Under the system of receivable order, the Comptroller-general had no power of raising this objection.

	£.	s.	d.
Loan of 4,000 *l.*, in part of principal	81	13	3
Interest of 446 *l.* 19 *s.* 8 *d.*, balance of principal to 6 October 1855	9	2	–
	90	15	3
Interest on account of loan of 14,000 *l.*, 7 Geo. 4, c. 76	51	13	9
	142	9	–
Shifnal District, on account of interest of loan of 5,500 *l.*, per Act 9 Geo. 4, c. 75	200	–	–
	£. 342	9	–

Rebuilding London Bridge, 7 Geo. 4, c. 40; Chamberlain of the City of London; interest on loan of 146,000 *l.*, half year, to 10 October, 2,725 *l.* 6 *s.* 8 *d.*

(Information which has lately reached this department, shows that the above sum of 2,725 l. 6 s. 8 d., received and reported by the Paymaster-general, as London Bridge Repayments, per Act 7 Geo. 4, c. 40, should have been stated as "London Bridge Ap-"proaches Fund," per Act 16 Vict., c. 18. Also, that the sum of 6,000 l. had been paid to the Paymaster-general, on 3 December 1855, but not carried to the Account of the Exchequer till 12 March 1856, more than three months after.)

The payment of this sum, 2,725 *l.* 6 *s.* 8 *d.*, appears to be altogether erroneous and irregular; under an arrangement sanctioned by the Treasury in February 1835, for the payment of all such sums becoming due on bonds (at different dates throughout the year) within the current quarter, to be made on the first day of March, June, September, and December in every year, the whole sums due up to 8 October 1855 had been received into the Exchequer, and no such money could be payable into this office at the date referred to. A sum of 6,000 *l.*, under the arrangement above-mentioned, would be due on 1 December 1855, but has not reached the Exchequer at the date of this memorandum. All payments by the Chamberlain of the City of London, previous to 1 October 1855, were made direct to the Exchequer Account.

	£.	s.	d.
Metropolis Improvements, 16 Vict., c. 18	1,610	4	9
Ditto, London Bridge Approaches Fund, 16 Vict., c. 18	33,041	10	6
Metropolis Interments: Brompton Cemetery, 14 & 15 Vict., c. 89, and 15 & 16 Vict., c. 85	4,000	–	–

– – All these payments should be stated to be made on behalf of the Commissioners of Works, &c. as above.

Assuming

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Assuming on the one hand that the sums specified in the Paymaster-general's Statement of 24 December 1855 (a copy of which is appended hereto, No. 1), were all the monies then in his hands directed by the Treasury to be paid over to the Exchequer Account, it would appear that several periodical receipts had not been tendered with their accustomed regularity; on the other hand, it may be presumed from the usual punctuality with which they have heretofore generally been paid to the Exchequer Account (by means of Specification Papers), some unexplained delay has occurred in their transit to the Comptroller-general's account at the Bank, contrary to the principle intended to be enforced by the reconstruction of this department in 1834; when one of the great advantages expected to be gained, was a more sure and speedy receipt of all monies composing the Public Revenue. Some of the payments that appear to have been interrupted in their progress to the Exchequer are those made by

The Accountant of the Copyhold, &c. Commission, formerly brought to account *monthly* under Treasury directions; last payment 20 October 1855, for the month of September.

The Secretaries of Presentations, and of Commissions to the Lord Chancellor; fees to be paid by them into the Exchequer half-yearly, by 25 section of Act 15 & 16 Vict., c. 87; last payments in April 1855.

The Secretary, &c. of the Public Record Office. Fees directed by the Act 1 & 2 Vict., c. 94, s. 10, *to be paid monthly* to the credit of the Exchequer; last payment 4 October 1855, for September previous.

The Treasurer of Middlesex - -
The Treasurer of Surrey - - -
The Treasurer of Kent - - -
The Chamberlain of the City of London - - - - - -

Half-yearly payments, due June and December, under the Act 9 Vict., c. 5, s. 6; last received, for June 1855.

The "London Gazette" receipts, noticed above.

Exchequer, 1 March 1856.

The Statement of the Particulars of the Sum of £. 207,773. 1. 1. paid over to the Account of Her Majesty's Exchequer, by the Paymaster-general, on 12 March 1856, confirms, in a great measure, the correctness of the foregoing Observations, inasmuch as there appear in detail payments on all the accounts adverted to, viz.:

	£.	s.	d.
Accountant to the Copyhold, &c. Commission; sums received in *quarter* to 31 December 1855 - - - - - - - - - - - -	522	6	–
Secretary of Presentations - - To the Lord Chancellor; fees to 10 October 1855	187	19	–
Secretary of Commissions - - To the Lord Chancellor; fees to 10 October 1855	211	14	5
Secretary of Public Record Office, &c.: fees for the *quarter*, to 31 December 1855 - - - - - - - - - - - - -	115	3	6
The Treasurer of Middlesex - Contributions to salaries of official referees, &c. under the Act 9 Vict., c. 5, s. 6; half-yearly payments, due December 1855	500	–	–
The Treasurer of Surrey - Contributions to salaries of official referees, &c. under the Act 9 Vict., c. 5, s. 6; half-yearly payments, due December 1855	160	–	–
The Treasurer of Kent - - Contributions to salaries of official referees, &c. under the Act 9 Vict., c. 5, s. 6; half-yearly payments, due December 1855	40	–	–
The Chamberlain of City of London - - - - Contributions to salaries of official referees, &c. under the Act 9 Vict., c. 5, s. 6; half-yearly payments, due December 1855	50	–	–
The "London Gazette" receipts, from 24 November 1855 to 19 February 1856	4,211	11	9
The Chamberlain of the City of London; rebuilding London Bridge, per Act 7 Geo. 4, c. 40, due first week in December 1855 - - - - -	6,000	–	–
This sum of 6,000 l. had been paid to the account of the Paymaster-general, on 3 December 1855, but not carried to the Exchequer Account till 12 March 1856.			
Fees received, per H. Knyvett, chief clerk, Home-office, quarter to 31 December 1855 - - - - - - - - - - - -	280	11	–
Fees received upon Irish Instruments, &c. quarter to 31 December 1855 -	4	14	6
Per Secretary of National Gallery, received for Catalogues, 13 August to 30 September 1855 - - - - - - - - - - - -	23	13	7

A Copy of the Statement above referred to is appended, No. 2.

Appendix, No. 13.

No. 1.

PARTICULARS of the SUM of £. 187,445. 18. 3. Paid over by the Paymaster-General to the Account of Her Majesty's Exchequer at the Bank of England, on the 24th December 1855.

	£.	s.	d.
SURPLUS FEES of PUBLIC OFFICES:			
Fees and fines received at the Metropolitan Police Courts, per Acts 2 & 3 Vict., c. 71, and 17 & 18 Vict., c. 94:			
In quarter ended 31 March 1855	2,684	18	9
„ 30 June 1855	2,789	7	5
„ 30 September 1855 (in part)	61	9	1
	5,535	15	3
Fees received on Licenses granted by Lunacy Commissioners, per Acts 8 & 9 Vict., c 100, and 17 & 18 Vict., c. 94,—Half-year to 30 June 1855	286	–	–
Fees on Weights and Measures received at Her Majesty's Exchequer from 10 October 1852 to 30 June 1855	170	4	–
The Queen's and Lord Treasurer's Remembrancer, N. B.; viz.,—			
Collection of Fee Fund, Court of Session, quarter 31 August 1855	1,344	–	–
Lord Clerk Register „ 30 June 1855	1,114	6	4
Keeper of the Signet „ 30 June 1855	65	4	7
Keeper of the Register of Seisins „ 30 June 1855	2,021	15	6
Director of Chancery „ 30 June 1855	698	10	3
HEREDITARY REVENUES:			
Fines and forfeitures of Justiciary and Sheriffs Courts, for the half-year to 31 August 1855	552	7	10
SURPLUS FEES of PUBLIC OFFICES:			
Salaries formerly payable to officers of the late Marshalsea, for the quarter to 30 September 1855, per Act 5 Vict., sess. 2, c. 22	153	15	–
For contributions towards salaries of Official Referees, under Acts 7 & 8 Vict., c. 84, and 9 Vict., c. 5, per J. Mercer, Treasurer for Kent, from December 1853 to 30 June 1855	120	–	–
IMPREST and other MONIES:	£.	s.	d.	
Army extra receipts - for quarter to 30 Sept. 1855	13,709	7	10	
Navy old store and extra receipts „ 30 Sept. 1855	52,049	17	2	
Ordnance extra receipts „ 30 Sept. 1855	27,031	–	2	
				92,790 5 2
Extra receipts and value of the productive labour of prisoners in Convict Establishments at Home, for year ended 31 March 1855	17,581	1	3	
By Commissioners of Works, &c.; viz.—				
Proceeds of sale of old public building materials, per Act 14 & 15 Vict., c. 42, year ended 31 March 1855	1,187	18	3	
Proceeds of sale of old materials from the Houses of Parliament, per Act 14 & 15 Vict., c. 42, year ended 31 March 1855	307	5	4	
Royal Parks, grazing rents, &c., year ended 31 March 1855	6,693	18	11	
Sums received for leases, &c., year ended 31 March 1855	690	10	5	
Gain by exchange and per-centage received on Paymaster-General's payments at Hanover, 1 July to 31 October 1855	209	15	4	
General Board of Health, expenses of preliminary inquiries, repaid per 11 & 12 Vict., c. 63, s. 11	1,133	16	9	
				27,804 6 3
Carried forward £.				182,656 10 2

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	£.	s.	d.	£.	s.	d.
Brought forward - - - £.				132,656	10	2
Imprest and other Monies—*continued*:						
Gross Revenue of the "London Gazette" from 23 June to 23 November 1855 - - - - - - - - - - - - - -				6,354	1	5
Superannuation Fund Abatements, under Act 4 & 5 Will. 4, c. 24:						
From Salaries of the Civil Departments, quarter 30 September 1855; viz.—						
Army - - - - - - - - - - -	334	16	2			
Navy - - - - - - - - - - -	1,531	8	4			
Ordnance - - - - - - - - - -	1,188	8	11			
Commissariat - - - - - - - - - -	33	15	–			
Miscellaneous Civil Services - - - - - -	2,962	12	6			
				6,051	–	11
Surplus Balance of Vote, New Houses of Parliament, 1853–4 - - -				1	1	10
Debt due to the Public by Lieutenant Morgan, R. M., as Colonial Storekeeper in Western Australia, retained from arrears of half-pay due to him - - - - - - - - - - - - - -				620	19	8
Repayment of Advances:						
Holyhead Roads, Interest of Loans; viz.:						
Shrewsbury and Holyhead Roads; viz.—						
	£.	s.	d.			
St. Albans and South Mimms Trust Act, 6 Geo. 4, c. 100, Loan of 4,000 *l.* in part of principal - -	81	13	3			
Interest of 446 *l.* 9 *s.* 8 *d.*, balance of principal to 6 October 1855 - - - - - - - -	9	2	–			
	90	15	3			
Interest on account of loan of 14,000 *l.*, per Act 7 Geo. 4, c. 76 - - - - - - - -	51	13	9			
	142	9	–			
Shifnal District: on account of interest of loan of 5,500 *l.*, per Act 9 Geo. 4, c. 75 - - - -	200	–	–			
	342	9	–			
Rebuilding London Bridge, 7 Geo. 4, c. 40, viz.—						
Chamberlain of the city of London, interest on loan of 146,000 *l.*, half-year to 10 October 1855 - -	2,725	6	8			
Metropolis Improvements,—						
Balance of rents for quarter to 30 September 1855, per Act 16 Vict., c. 18 - - - - - - -	1,610	4	9			
Surplus of London Bridge Approaches Fund, quarter to 10 October 1855, per Act 16 Vict., c. 18 - -	33,041	10	6			
Metropolis Interments,—						
Brompton Cemetery, in part of cash balance, per Acts 14 & 15 Vict., c. 89, and 15 & 16 Vict., c. 85 -	4,000	–	–			
Glasgow and Carlisle Roads,—						
One year's net rent of the Inn at Beatock, to 15 May 1855, per Act 56 Geo. 3, c. 83 - - - -	42	13	4			
				41,762	4	3
Total - - - £.				187,445	18	3

No. 2.

PARTICULARS of the SUM of £. 207,773. 1. 1. paid over by the Paymaster-General to the Account of Her Majesty's Exchequer on the 12th day of March 1856.

	£.	s.	d.
1. HEREDITARY REVENUES:			
Fines and Forfeitures of Justiciary and Sheriffs Courts, from 31st August to 13th December 1855	161	12	5
2. SURPLUS FEES of PUBLIC OFFICES:			
Fees, fines, and penalties received at the Metropolitan Police Courts in the quarter ended 30th September 1855, per Acts 2 & 3 Vict., c. 71, and 17 & 18 Vict., c. 94	2,898	5	11
Fees received per P. H. Pepys, as Secretary of Presentations to the Lord Chancellor, from the 6th April to the 10th October 1855, per Act 15 & 16 Vict., c. 87.	187	19	–
Ditto, as Clerk and Deputy Clerk of ditto, from the 22d May to 10 October 1855, per Act 3 & 4 Will. 4, c. 84	77	14	6
Ditto, per N. S. Senior, Secretary of Commissions to the Lord Chancellor, from 5 April to 10 October 1855, per Act 15 & 16 Vict., c. 87	211	14	5
Fees received on Licenses granted by Lunacy Commissioners, per Acts 8 & 9 Vict., c. 100, and 17 & 18 Vict., c. 94; half-year to 31st December 1855	877	17	6
Fees on Weights and Measures received at Her Majesty's Exchequer in the quarter to 30th September 1855	9	18	6
The Queen's and Lord Treasurer's Remembrancer, N. B.; viz.—			
Fees drawn by Sheriffs' Clerks, half-year to 30th September 1855, per Act 1 & 2 Vict., c. 119	3,301	17	10
Fee Fund Court of Session, quarter to 30th November 1855, per Act 50 Geo. 3, c. 112	874	9	10
Keeper of Register of Hornings, half-year to 30th September 1855 (Per Act 57 Geo. 3, c. 64)	709	7	7
Keeper of the Signet, quarter to 30th September 1855 (Per Act 57 Geo. 3, c. 64)	895	10	–
Keeper of Register of Seisins, quarter to 30th September 1855 (Per Act 57 Geo. 3, c. 64)	1,968	5	–
Director of Chancery, quarter to 30th September 1855 (Per Act 57 Geo. 3, c. 64)	398	15	7
	8,148	5	10
Salaries formerly payable to Officers of the late Marshalsea, for the quarter to 31st December 1855, per Act 5 Vict., sess. 2, c. 22	153	15	–
Contributions towards Salaries of Official Referees, under Act 7 & 8 Vict., c. 84, and 9 Vict., c. 5; viz.:			
Per C. P. Allen, Treasurer of Middlesex, half-year to 31st December 1855	500	–	–
Per E. Kerrick, Treasurer of Surrey, half-year to 31st December 1855	160	–	–
Per Chamberlain of the City of London, half-year to 31st December 1855	50	–	–
Per J. Mercer, Treasurer of Kent, half-year to 31st December 1855	40	–	–
	750	–	–
Fees received per Registrar-General of Births, &c., quarter to 31st December 1855, per Act 6 & 7 Will. 4, c. 86, 80 *l.* 1 *s.*; per Act 3 & 4 Vict., c. 92, 48 *l.* 4 *s.* 6 *d.*	128	5	6
Fees received per S. Thomas, Secretary Public Record Office, quarter to 31st December 1855, per Act 1 & 2 Vict., c. 94	115	3	6
Fees received per P. Smith, Chief Clerk Colonial Office, in January 1856	7	13	6
Fees received per H. Knyvett, Chief Clerk Home Office, quarter to 31st December 1855	280	11	–
Fees received per H. Knyvett, Chief Clerk Home Office, upon Irish Instruments, &c., quarter to 31st December 1855	4	14	6
Carried forward £.	14,013	11	1

	£.	s.	d.	£.	s.	d.
Brought forward - - -				14,013	11	1
3. IMPREST and other MONIES:						
Army Extra Receipts for quarter to 31st December 1855	349	19	3			
Navy Old Store and extra Receipts for quarter to 31st December 1855 - - - - - - - -	65,671	13	7			
Ordnance extra Receipts for quarter to 31st Dec. 1855	71,999	17	9			
				138,021	10	7
Per Queen's and Lord Treasurer's Remembrancer, Scotland, earnings of convicts in the General Prison of Perth, from 1st April to 31st Dec. 1855				443	9	11
Per Secretary of the National Gallery, received for Catalogues, 13th August to 30th September 1855 - - - - - - - - -				23	13	7
Per George Taylor, Accountant to Copyhold Inclosure and Tithe Commission, received for searches, extracts, and tracings, quarter to 31 Dec. 1855				522	6	–
Per F. S. Thomas, Secretary of Record Office, for publications in 1855 -				78	7	–
Per F. M'Gedy, Gross Revenue of "London Gazette" from 24th November 1855 to 19th February 1856 - - - - - - - - -				4,211	11	9
General Board of Health, Expenses of preliminary Inquiries repaid, per Act 11 & 12 Vict., c. 63, s. 11 - - - - - - - - -				1,284	9	3
Superannuation Fund Abatements, under Act 4 & 5 Will. 4, c. 24, viz.:						
From Salaries of the Civil Departments, Army - -	314	3	2			
" " " Navy - -	1,432	19	2			
" " " Ordnance -	1,342	16	5			
" " " Commissariat	39	18	5			
" " Miscellaneous Civil Services	3,258	10	–			
				6,388	7	2
Gain by exchange and per-centage received on the Paymaster-General's payments at Hanover, in December 1855 and January 1856 - -				170	8	4
				165,157	14	8
4. REPAYMENTS of ADVANCES:						
Interest on advances for re-building London-bridge, per Act 7 Geo. 4, c. 40:						
On 40,000 *l.* due 26th October 1855 - - - -	1,000	–	–			
" 30,000 *l.* due 8th November 1855 - - -	750	–	–			
" 40,000 *l.* due 29th November 1855 - - -	1,000	–	–			
" 50,000 *l.* due 3d December 1855 - - - -	1,250	–	–			
" 30,000 *l.* due 21st December 1855 - - -	750	–	–			
" 50,000 *l.* due 3d January 1856 - - - -	1,250	–	–			
Per Chamberlain of London - - -	6,000	–	–			
Metropolis Improvements, surplus of London-bridge Approaches Fund, quarter to 5th January 1856, per Act 16 Vict. c. 18 - - - - - - -	35,899	4	10			
Metropolis Improvements, Rents for quarter to 31st December 1855, per Act 16 Vict. c. 18 - - -	450	14	1			
Holyhead Roads: Principal and Interest of Loans, viz.:						
Stratford and Dunchurch Trust: Principal - - - - - - £. 241	4	7				
" Interest from 3d January to 28th December 1855 - - - - 24	2	11				
(per Act 7 Geo. 4, c. 76, s. 44)	265	7	6			
				42,615	6	5
TOTAL - - - £.				207,773	1	1

Appendix, No. 14.

A RETURN, from the 1st of April 1854 to the 1st of April 1856, of ADVANCES made for any Services not Voted by Parliament or Sanctioned by Statute, stating Date of such Advances, Purpose, from what Funds Advanced, and when Repaid.

SERVICE.	DATE.	PURPOSE.	AMOUNT.	From what Funds Advanced.	WHEN REPAID.
			£. s. d.		
Foreign Department -	18 April to 6 June 1854 -	Salaries, &c. -	3,135 12 5	General balance	20 June 1854 From the Grant for 1854-5.
Ditto - - -	7 April to 23 May 1855	- ditto -	11,157 1 7	- - ditto -	14 June 1855 - ditto - ditto 1855-6.
Lord Privy Seal - -	4 April to 4 May 1854 -	- ditto -	114 6 4	- - ditto -	26 June 1854 - ditto - ditto 1854-5.
Ditto - - - -	7 April to 30 April 1855	- ditto -	89 6 4	- - ditto -	23 June 1855 - ditto - ditto 1855-6.
Commissioners of Works	19 April to 9 June 1855 -	- ditto -	943 - 5	- - ditto -	30 June 1855 - ditto - ditto 1855-6.
Printing and Stationery	2 Feb. to 31 Mar. 1856 -	Paper for cartridges.	36,063 1 6	- - ditto -	31 April 1856 - ditto - ditto 1856-7.
Law Charges, &c., Treasury.	13 Jan. to 31 Mar. 1855 -	Prosecutions -	5,103 1 5	Civil Contingencies and general balance.	4,644 *l.* 3 *s.* 7 *d.* of this amount was advanced from Civil Contingencies, and the whole repaid on the 26th of June 1855 from the grant for law charges for 1855-6.
Ditto - - -	2 April to 26 May 1855	- ditto -	4,973 16 8	General balance	26 June 1855 From the Grant for 1855-6.
Scientific Works - -	30 Nov. 1854 to 31 July 1855.	Expenses -	1,138 8 -	- - ditto -	20 Aug. 1855 - ditto - ditto 1855-6.
Consuls Abroad - -	5 May to 18 July 1854 -	Salaries and expenses.	16,485 10 9	- - ditto -	19 July 1854 - ditto - ditto 1854-5.
Ditto - - -	3 May to 18 July 1855 -	- ditto -	17,923 19 3	- - ditto -	19 July 1855 - ditto - ditto 1855-6.
Ministers Abroad -	6 April to 19 June 1854	Extraordinary expenses.	7,162 12 3	- - ditto -	19 July 1854 - ditto - ditto 1854-5.
Ditto - - -	4 April to 22 July 1855	- ditto -	3,500 18 -	- - ditto -	28 July 1855 - ditto - ditto 1855-6.
Ditto - - -	25 Feb. to 26 Mar. 1856 -	- ditto -	2,035 5 2	- - ditto -	28 May 1856 - ditto - ditto 1856-7.
Labuan - - -	1 April 1854 to 4 April 1855.	Expenses -	1,564 1 7 (including 564 *l.* 1 *s.* 7 *d.* prior to April 1854).	- - ditto -	- - - Not yet repaid.
General Board of Health	2 April to 11 Aug. 1855	- ditto -	2,991 6 6	- - ditto -	13 Aug. 1855 From the Grant for 1855-6.
Charity Commission -	4 April to 21 July 1855	Salaries and expenses.	2,968 5 6	- - ditto -	13 Aug. 1855 - ditto - ditto 1855-6.
Legal Charges, &c., formerly charged on the Consolidated Fund, but now a voted Service.	23 May and 26 July 1855	- ditto -	33,594 7 7	- - ditto -	31 July 1855 From the Grant for Constabulary, Ireland, for 1855-6.
Miscellaneous Charges, formerly charged on the Consolidated Fund, but now a voted Service.	12 June to 17 Oct. 1855 -	Miscellaneous	8,589 8 10	- - ditto -	31 Oct. 1855 From the Grant for Reciprocity Dues, for 1855-6.

Note.—The whole of these advances might have been made from Civil Contingencies, the available balance on that account having been at all times sufficient for the purpose.

As regards the great Services, there was only one case wherein it was found necessary to anticipate a Supplementary Grant. In 1855-6, before the Expenditure of the Ordnance and War Offices was combined in the same Estimate, the interchange of duties between the two Departments, and the consequent intermixture of funds, made it so difficult to say how far the short-coming of the Ordnance might not have been caused by the amalgamation then in operation, that it was thought right to have temporary recourse to Army Funds to carry on the service of the Ordnance from the 19th February 1856, until the amount of the Supplementary Estimate for 1,346,023 *l.*, presented to The House on the 8th February 1856, should be Voted. The amount advanced, viz., 832,936 *l.* 17 *s.*, was repaid on the 11th March 1856.

ADVANCES for SERVICES for which no WAYS and MEANS have been provided, stating Date of such Advance, Purpose, from what Funds advanced, and when repaid.

Except in so far as the foregoing cases of overdrawn accounts may be considered as coming within this category, the Pay Office has no knowledge of this having been done.

ADVANCES for SERVICES for which no ROYAL ORDER or TREASURY WARRANT has been issued, stating Date of such Advance, Purpose, from what Funds advanced, and when repaid.

Same observation as above.

Paymaster-General's Office,
4 July 1856.

Appendix, No. 15.

ACCOUNT of the CASH BALANCES at the Credit of the several VOTES of Parliament, and other Accounts in the Paymaster-general's Books, on the 31st March 1856.

		OVERDRAWN.	IN CREDIT.
		£. s. d.	£. s. d.
CIVIL LIST	Class I. Privy Purse	—	—
	Class II. Household Account. Salaries, &c., Officers of State, &c.	- - -	7,937 11 10
	Class III. Household Account. Expenses - - - ditto - -	- - -	42,215 2 5
	Class IV. Household Account. Contributions to Charities, &c. -	- - -	2,100 - -
	Class V. Pensions per Act 1 Vict. c. 2. Quarter to 30 Sept. 1853 - -	- - -	116 17 -
	Class V. Pensions per Act 1 Vict. c. 2. „ 31 Dec. 1854 - -	- - -	9 15 8
	Class V. Pensions per Act 1 Vict. c. 2. „ 30 June 1855 - -	- - -	27 15 1
	Class V. Pensions per Act 1 Vict. c. 2. „ 30 Sept. „ - -	- - -	18 15 -
	Class V. Pensions per Act 1 Vict. c. 2. „ 31 Dec. „ - -	- - -	35 12 -
	Class VI. Household Account (unappropriated moneys) - - - - -	- - -	7,177 13 9
	Savings on the Civil List - - - - -	- - -	1,980 9 4
ANNUITIES AND PENSIONS	Quarter ended 5 July 1854 - - - -	- 7 7	—
	„ 10 Oct. „ - - - -	- - -	15 5 5
	„ 5 Jan. 1855 - - - -	- - -	197 4 7
	„ 31 Mar. „ - - - -	- - -	310 6 8
	„ 30 June „ - - - -	- - -	128 5 -
	„ 30 Sept. „ - - - -	- - -	342 14 -
	„ 31 Dec. „ - - - -	- - -	798 19 5
SUNDRY SALARIES AND ALLOWANCES - - -	Quarter ended 5 April 1854 - - - -	- - -	342 13 3
	„ 5 July „ - - - -	- - -	510 17 1
	„ 10 Oct. „ - - - -	- - -	79 10 -
	„ 5 Jan. 1855 - - - -	- - -	3 17 10
	„ 31 Mar. „ - - - -	- - -	2,356 19 2
	„ 30 June „ - - - -	- - -	529 11 7
	„ 30 Sept. „ - - - -	- - -	72 10 -
	„ 31 Dec. „ - - - -	- - -	605 14 9
COURTS OF JUSTICE - -	Quarter ended 5 July 1854 - - - -	- - -	32 2 2
	„ 5 Jan. 1855 - - - -	- - -	12 6 9
	„ 31 Mar. „ - - - -	- - -	551 16 -
	„ 30 June „ - - - -	- - -	214 18 9
	„ 30 Sept. „ - - - -	- - -	2,150 1 2
	„ 31 Dec. „ - - - -	- - -	
DIPLOMATIC SALARIES -	Quarter ended 5 April 1853 - - - -	- - -	362 10 -
	„ 5 July 1854 - - - -	- - -	43 19 1
	„ 30 Sept. 1855 - - - -	- - -	61 2 6
DIPLOMATIC PENSIONS -	Quarter ended 31 Mar. 1855 - - - -	- - -	263 6 4
	„ 30 June „ - - - -	- - -	107 19 10
	„ 30 Sept. „ - - - -	- - -	114 1 11
	„ 31 Dec. „ - - - -	- - -	402 - -
MISCELLANEOUS CHARGES	Quarter ended 10 Oct. 1851 - - - -	- - -	61 8 8
	„ 31 Dec. 1855 - - - -	- - -	10 17 3
Unappropriated Civil List, Will. 4 - - - - - - - - - -		- - -	4 16 3
Income Tax on foregoing Accounts, not yet paid over - - - - -		- - -	282 6 9
CLASS I. PUBLIC WORKS AND BUILDINGS.	Public Walks - - - - - - -	- - -	2,462 10 -
	Public Buildings and Royal Palaces (Works, &c.)	- - -	15,908 12 4
	Royal Parks, &c. - - - („)	- - -	5,776 12 8
	Ordnance Office, Pall Mall - - („)	- - -	1,480 17 7
	Buckingham Palace - - - („)	- - -	367 14 6
	Stationery Office - - - - („)	- - -	843 3 10
	New Houses of Parliament - - („)	- - -	11,173 1 5
	Ditto - - - - - (Treasury)	—	—
	Isle of Man, Courts of Law - - (Works, &c.)	- - -	2,574 2 9
	Repository for Public Records - („)	- - -	373 15 -
	Holyhead Harbour, Roads, &c. - („)	- - -	323 14 -
	Ditto - - - - - (Treasury)	- - -	1,890 3 10
	Harbours of Refuge, Holyhead - (Works, &c.)	- - -	665 4 7
	Ditto - - - - Portland - („)	- - -	228 - 10
	Harbours of Refuge - - - (Treasury)	- - -	2,962 5 11
	Port Patrick Harbour - - - („)	- - -	- 6 -

(*continued*)

		OVERDRAWN.			IN CREDIT.		
		£.	s.	d.	£.	s.	d.
CLASS II. Salaries, &c., Public Departments.	Two Houses of Parliament	-	-	-	16,176	10	-
	Treasury	-	-	-	7,533	13	9
	Home Department	-	-	-	5,980	9	6
	Foreign - ditto	-	-	-	12,449	4	6
	Colonial - ditto	-	-	-	7,877	18	1
	Privy Council Office and Board of Trade	-	-	-	5,969	12	6
	Lord Privy Seal	-	-	-	476	6	2
	Paymaster-General's Office	-	-	-	2,123	1	10
	Exchequer	-	-	-	782	7	-
	Commissioners of Works, &c. (Works)	-	-	-	1,375	18	8
	Ditto - - - Woods, &c.		—			—	
	Public Records and State Paper Office	-	-	-	2,089	4	8
	Ecclesiastical Commissioners, England	-	-	-	1,510	14	8
	Poor Law Commissioners, &c.	-	-	-	17,345	6	-
	Mint, including Coinage, &c.		—			—	
	Inspectors, &c. of Factories	-	-	-	3,287	6	1
	Civil Branch of Queen's, &c. Remembrancer's Offices, Scotland		—			—	
	Commissioners of Audit	-	-	-	3,726	10	10
	Copyhold Inclosures and Tithe Commission	-	-	-	2,245	2	7
	Ditto, Expenses under Inclosure and Drainage Acts	-	-	-	3,991	3	11
	General Register Office, England and Wales	-	-	-	1,546	6	10
	Registrar General of Births, &c., Scotland	-	-	-	130	2	9
	National Debt Office		—			—	
	Public Works Loan Commission	-	-	-	7	1	6
	West Indian Islands Relief Commission		—			—	
	Commissioners in Lunacy	-	-	-	277	19	8
	Office of Metropolitan Buildings, &c.	-	-	-	750	-	-
	General Superintendent of Roads, South Wales	-	-	-	305	19	7
	Registrar of Friendly Societies in England	-	-	-	670	5	11
	Secret Service	-	-	-	47	8	-
	Printing and Stationery	36,063	1	6		—	
	Irish Office, London	-	-	-	286	18	3
CLASS III. Law and Justice.	Law Charges and Mint Prosecutions, Treasury	-	-	-	2,269	11	7
	Prosecutions formerly paid out of County Rates	-	-	-	3,600	14	6
	Chancery, Crown Office Expenses		—			—	
	Queen's Bench - - „		—			—	
	„ &c. Deficiency of Fee Fund		—			—	
	Sheriffs, &c. Expenses, and Exchequer Q. L. T. R., London	-	-	-	906	13	8
	Registrar of High Court of Admiralty		—			—	
	Insolvent Debtors' Court		—			—	
	Treasurers' Salaries, County Courts	-	-	-	887	10	-
	Police Courts' Salaries, &c.		—			—	
	Metropolitan Police Salaries, &c.		—			—	
	Queen's Prison, Salaries, &c.	-	-	-	225	10	-
	Lord Advocate and Solicitor-general's Salaries - Scotland		—			—	
	Expenses of Prosecutions by Lord Advocate „		—			—	
	Court of Sessions' Salaries, &c. „	-	-	-	311	13	3
	„ Justiciary „ „		—			—	
	Legal Branch, Queen's, &c., Remembrancer's Salaries „		—			—	
	Sheriffs' and Procurators Fiscal, &c., Salaries „		—			—	
	Procurators Fiscal Salaries „		—			—	
	Sheriffs' Clerks' Salaries „		—			—	
	Expenses in matters of Tithes, &c. „		—			—	
	General Register House, Edinburgh, Salaries „	-	-	-	443	1	6
	Commissary Clerk, Edinburgh, Salaries, &c. „		—			—	
	Prisons, &c., General Superintendence	-	-	-	2,826	12	7
	„ Convict Establishments, &c., at Home	-	-	-	15,997	8	11
	„ Maintenance in County Gaols, &c.	-	-	-	12,605	9	7
	„ Transportation	-	-	-	3,756	-	8
	„ Convict Establishments, Colonies	-	-	-	4,169	18	5
	Prosecutions, &c., Scotland	-	-	-	37	5	5
CLASS IV. Education, Science, and Art.	Public Education, Great Britain	-	-	-	18,314	10	11
	Board of Trade, Department of Practical Art, Schools of Design, and Geological Survey &c.	-	-	-	7,860	18	3
	British Museum	-	-	-	4,000	-	-
	„ Buildings (Works, &c.)	-	-	-	8,108	13	-
	Nelson Monument („)	-	-	-	329	1	10
	Scientific Works and Experiments		—			—	
	Geological Survey (Works, &c.)	-	-	-	480	5	10
	National Gallery	-	-	-	915	8	9

		OVERDRAWN.			IN CREDIT.		
		£.	s.	d.	£.	s.	d.
CLASS V. Colonial, Consular, and other Foreign Services.	Bermudas	-	-	-	711	2	4
	Clergy in North America and Bahamas	-	-	-	104	5	7
	Indian Department, Canada	-	-	-	273	11	9
	Governors, &c., West Indies and Prince Edward's Island	-	-	-	3,727	12	–
	Justices, West Indies and Mauritius	-	-	-	1,088	3	11
	Western Coast of Africa	-	-	-	297	2	3
	St. Helena	-	-	-	1,152	–	–
	Western Australia and Port Essington	-	-	-	—		
	New Zealand	-	-	-	10,947	13	11
	Heligoland	-	-	-	286	15	2
	Falkland Islands	-	-	-	1,488	3	9
	Hong Kong	-	-	-	726	19	11
	Labuan	1,564	1	7	—		
	Emigration	-	-	-	1,279	13	6
	Distressed Emigrants in Canada	-	-	-	—		
	Captured Negroes	-	-	-	1,593	6	3
	Commission for Suppression of Slave Trade	-	-	-	2,855	2	1
	Consuls Abroad, including Ports in China	-	-	-	1,769	8	2
	Ministers Abroad, Extraordinary Expenses	2,035	5	2	—		
CLASS VI. Superannuations and Charities.	Superannuation and Retired Allowances	-	-	-	4,167	17	6
	Toulonese and Corsican Emigrants, American Loyalists, &c.	-	-	-	400	7	7
	Polish Refugees and Distressed Spaniards	-	-	-	861	7	8
	Miscellaneous Charges, formerly Civil List	-	-	-	1,426	15	11
CLASS VII. Special and Temporary Objects.	Medals, Army and Navy	-	-	-	1,253	3	6
	Militia and Volunteers, Canada	-	-	-	—		
	General Board of Health	-	-	-	4,699	12	6
	Lighthouses Abroad	-	-	-	6,551	9	2
	Ambassador's Residence, Constantinople (Works, &c.)	-	-	-	1,262	9	4
	„ „ Madrid („)	-	-	-	1	–	4
	„ „ Paris („)	-	-	-	119	18	–
	British Consulate Buildings, Constantinople („)	-	-	-	51	16	7
	Chelsea Bridge („)	-	-	-	1,458	8	10
	„ Embankment („)	-	-	-	669	12	–
	Battersea Park („)	-	-	-	3,685	12	9
	Duchy of Cornwall New Office („)	-	-	-	1,409	14	5
	British Protestant Cemetery, Madrid („)	-	-	-	39	1	10
	Downing Street Buildings („)	-	-	-	6,001	3	4
	Embassy Chapel, Constantinople	-	-	-	762	15	6
	Australian Expedition	-	-	-	715	8	4
	Menai Straits Navigation	-	-	-	—		
	Merchant Seamen's Pension Fund	-	-	-	1,055	7	10
	Mercantile Marine and Steam Navigation Acts	-	-	-	—		
	Corrupt Practices at Elections	-	-	-	553	16	6
	Patent Law Amendment Act	-	-	-	1,972	6	–
	Charity Commission, England	-	-	-	3,494	11	7
	Statute Law Commission	-	-	-	644	5	5
	Joint Stock Companies' Registration	-	-	-	—		
	Agricultural Statistics	-	-	-	730	1	5
	Fishery Board, Scotland	-	2	–	—		
	Trustees of Manufactures, Scotland	-	-	-	—		
	Census of the Population	-	-	-	1,440	2	8
	Funeral of the late Duke of Wellington	-	-	-	24,866	4	1
	Universal Exhibition, Paris	-	-	-	962	13	–
	Commissioners of Highland Roads, &c.	-	-	-	5,000	–	–
	Bounties on Slaves	-	-	-	997	–	–
	Reciprocity Treaties, Dues on Foreign Vessels	-	-	-	—		
	Revising Barristers	-	-	-	142	16	–
	Corn Returns, Inspectors' Salaries	74	15	–	—		
	Quarantine Expenses	-	-	-	841	14	7
	Army and Navy Medals	-	-	-	—		
	United States' Claimants	-	-	-	1,851	–	6
	British Seamen Abroad, Relief of	-	-	-	833	19	3
	Metropolis Interment Act	-	-	-	—		
	Galleries of Art, Edinburgh	-	-	-	—		
	Cape of Good Hope	-	-	-	—		
	Supp^{y} Estimate, V. 1. (Salaries, &c. not Legal)	-	-	-	2,897	1	7
	„ V. 2. (Legal Salaries)	-	-	-	25,141	11	7
	„ V. 3. (Miscellaneous Charges)	-	-	-	2,459	–	10
	Kensington Gore (Purchase of Land)	-	-	-	1,000	–	–
	„ (Museum)	-	-	-	1,045	12	–
	War Department	-	-	-	1,162	16	4

(*continued*)

	OVERDRAWN.			IN CREDIT.		
	£.	s.	d.	£.	s.	d.
Civil Contingencies	8,097	13	–	—		
Income Tax on foregoing Accounts not yet paid over	-	-	-	2,200	5	9
Canada Guaranteed Loan Sinking Fund		—		—		
County Courts' Fund	-	-	-	752	18	1
Effects of deceased British Subjects	-	-	-	3,586	7	5
Exchequer Fees		—		—		
French Claims		6	9	4	—	
French Indemnity	-	-	-	4,660	3	5
Highland Education	-	-	-	1,534	11	6
Irish Reproductive Loan Fund	-	-	-	736	3	5
Knights of Malta	-	-	-	141	5	–
Persian Embassy	-	-	-	17,711	14	2
Slave Compensation	-	-	-	1,036	8	3
Ditto Reserve Fund	-	-	-	686	10	9
Superannuation Fund payable to Exchequer		—		—		
Metropolis Improvements, General Account (Works, &c.)	-	-	-	2,586	10	5
„ Spitalfields Extension „	-	-	-	4,915	–	3
London Bridge Approaches Fund „		—		—		
Menai and Conway Bridges, Tolls Account „	-	-	-	2,193	16	8
Loans, &c., Shrewsbury, &c., Roads „		—		—		
Westminster Improvements „	-	-	-	1,774	6	2
Department of Works, Miscellaneous Accounts „	-	-	-	6,208	19	10
New Inland Revenue Office „	-	-	-	26,504	15	9
Brompton Cemetery „	-	-	-	1,832	9	9
Pimlico Improvements „	-	-	-	2,861	4	3
Southwark „ „	-	-	-	2,222	7	1
Westminster New Bridge „	-	-	-	27,505	1	2
Royal Military Asylum, Chelsea „	-	-	-	2,928	8	1
Fee Fund Account of the Superior Courts of Law	-	-	-	30,671	5	4
Nelson Fund Account		—		—		
General Board of Health, Ordnance Survey	-	-	-	4,336	6	9
Crown's Nominee Account	-	-	-	33,525	18	4
Suspense Accounts	-	-	-	1,829	2	–
Wages and Effects of deceased Merchant Seamen	-	-	-	30,952	4	1
Compensation to Owner of the Highlander	-	-	-	587	6	7
Bermuda, Sales of Crown Lands		—		—		
Mercantile Marine Fund	-	-	-	85,300	18	1
Nautical Schools	-	-	-	1,481	13	9
Registrar of Joint Stock Companies	-	-	-	2,792	14	3
London Gazette		—		—		
Admiralty Court, Deposit Fund	-	-	-	55,413	3	11
Police Courts: Fees, &c.		—		—		
Lunacy Commissioners: Fees, &c.		—		—		
Remittances from Scotland (Surplus Fees)		—		—		
Moneys payable to Exchequer	-	-	-	53,959	15	4
Copyhold and Tithe Commission (Deposit Account)	-	-	-	36,000	–	–
Exchequer Bills, Interest	-	-	-	6,845	8	11
Ditto - - Principal	-	-	-	100	–	–
Income Tax on foregoing Accounts not yet paid over	-	-	-	122	19	9
Army	-	-	-	577,857	2	9
Commissariat Chest	642,021	14	9	—		
Navy	-	-	-	775,720	11	5
Naval Prize Account	-	-	-	67,226	3	8
Patriotic Fund	-	-	-	4,016	6	11
£.	689,863	9	11	2,332,878	7	3
	£. 1,643,014	17	4			

BALANCES AT THE BANK OF ENGLAND.

	£.	s.	d.
Exchequer Credits	1,465,384	11	–
Cash Account	126,827	2	9
Drawing Account	36,645	5	5
Bill Account	10,141	11	3
Patriotic Fund	4,016	6	11
£.	1,643,014	17	4

Appendix, No. 16.

AN ACCOUNT of BALANCES of VOTES unissued from the Exchequer on the 31st March 1856. Appendix, No. 16.

	Balance of Amount Voted, A° 1853.			Balance of Amount Voted, A° 1854.			Balance of Amount Voted, A° 1855.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
Army	-	-	-	-	-	-	2,389,532	-	-
Navy	-	-	-	-	-	-	329,013	-	-
Customs Department - Salaries, &c.	-	-	-	35,507	3	7	230,696	8	1
Ditto - Coast Guard - ditto	-	-	-	48,509	8	4	145,308	15	3
Inland Revenue Department ditto	-	-	-	5,993	6	9	462,135	13	2
Inland Revenue Police, Ireland	-	-	-	-	-	-	17,725	2	-
Post Office, Salaries and Expenses	-	-	-	45,758	13	-	469,137	14	11
Public Buildings	-	-	-	-	-	-	32,952	-	-
Royal Parks	-	-	-	-	-	-	14,544	-	-
Buildings, Houses of Parliament	-	-	-	-	-	-	20,209	-	-
Repository for Public Records	-	-	-	3,000	-	-	6,000	-	-
Holyhead Harbour	-	-	-	-	-	-	17,610	6	5
Harbours of Refuge	-	-	-	-	-	-	138,000	-	-
Portpatrick Harbour	269	12	2	-	-	-	375	-	-
Two Houses of Parliament - Salaries, &c.	-	-	-	-	-	-	52,140	-	-
Treasury ditto	-	-	-	-	-	-	8,400	-	-
Home Office ditto	-	-	-	-	-	-	7,595	-	-
Colonial Office ditto	-	-	-	-	-	-	9,897	-	-
Privy Council Office ditto	-	-	-	-	-	-	12,733	-	-
Paymaster-general's Office ditto	-	-	-	-	-	-	4,211	-	-
Comptroller-general of the Exchequer ditto	-	-	-	-	-	-	3,814	-	-
Public Records ditto	-	-	-	-	-	-	9,098	-	-
Poor Law Commissioners ditto	-	-	-	-	-	-	149,083	-	-
Inspectors of Factories ditto	-	-	-	-	-	-	3,530	-	-
Queen's and Lord Treasurer's Remembrancer's Office, in Scotland ditto	-	-	-	-	-	-	1,498	13	8
Audit Office ditto	-	-	-	-	-	-	5,421	-	-
General Register Office, England and Wales ditto	-	-	-	-	-	-	5,500	-	-
West India Islands Relief Commission ditto	-	-	-	-	-	-	500	-	-
Commissioners in Lunacy, Expenses of Office	-	-	-	-	-	-	220	-	-
Secret Services	-	-	-	-	-	-	10,646	4	-
County Rates	-	-	-	-	-	-	160,000	-	-
Crown Office, Queen's Bench	-	-	-	-	-	-	1,743	19	4
Sheriffs' Expenses	-	-	-	-	-	-	14,900	-	-
Registry of the Admiralty	-	-	-	1,700	-	-	1,500	-	-
Insolvent Debtors' Court	-	-	-	-	-	-	3,890	-	-
Treasurers of County Courts	-	-	-	-	-	-	2,350	-	-
Metropolitan Police Courts	-	-	-	-	-	-	3,392	12	7
Metropolitan Police Expenses	-	-	-	-	-	-	31,030	9	9
Queen's Prison	-	-	-	-	-	-	1,214	2	9
Criminal Prosecutions, Scotland	-	-	-	-	-	-	7,755	-	-
Legal Branch: Queen's and Lord Treasurer's Remembrancer, Scotland	-	-	-	-	-	-	256	16	1
Sheriffs' Prosecutions, &c., Scotland	-	-	-	-	-	-	57,000	-	-
Expenses in Matters of Tithes, Scotland	-	-	-	-	-	-	2,150	-	-

(*continued*)

Appendix, No. 16.

	Balance of Amount Voted, A° 1853.			Balance of Amount Voted, A° 1854.			Balance of Amount Voted, A° 1855.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
Superintendence of Prisons	-	-	-	-	-	-	1,622	6	8
Prisons and Convict Establishments	-	-	-	-	-	-	165,200	8	11
Maintenance of Prisoners	-	-	-	-	-	-	140,324	-	-
Convict Establishments in the Colonies	-	-	-	-	-	-	135,938	9	-
Transportation of Convicts	-	-	-	54,144	18	6	59,405	-	-
Public Education, Great Britain	-	-	-	-	-	-	41,921	-	-
London University	-	-	-	2,830	-	-	3,858	-	-
Departments of Science and Art, &c.	-	-	-	17,333	6	7	14,504	14	4
Universities, Scotland	-	-	-	-	-	-	4,155	10	2
British Museum Buildings	-	-	-	-	-	-	27,520	-	-
National Gallery	-	-	-	-	-	-	3,696	-	-
Scientific Works, &c.	-	-	-	-	-	-	3,503	10	9
Civil Establishment, Bermuda	-	-	-	-	-	-	1,501	-	-
Clergy, North America	-	-	-	2,547	-	-	7,397	-	-
Indian Department, Canada	-	-	-	4,438	-	-	7,010	-	-
West India Governors	2,544	4	6	-	-	-	20,728	-	-
Special Justices, West Indies	-	-	-	-	-	-	24,750	-	-
Western Coast of Africa	-	-	-	961	12	8	9,130	-	-
Civil Establishment, St. Helena	-	-	-	-	-	-	2,557	-	-
„ Heligoland	-	-	-	-	-	-	976	-	-
„ Falkland Islands	-	-	-	-	-	-	100	-	-
„ Hong Kong	-	-	-	-	-	-	3,800	-	-
Emigration Expenses	-	-	-	-	-	-	11,720	-	-
Destitute Emigrants, Canada	-	-	-	-	-	-	10,500	-	-
Support of Captured Negroes	-	-	-	-	-	-	10,000	-	-
Suppression of Slave Trade	-	-	-	6,250	-	-	11,250	-	-
Bounties on Slaves	-	-	-	-	-	-	8,000	-	-
Consular Services	-	-	-	-	-	-	13,084	7	-
Superannuations, &c.	-	-	-	-	-	-	41,776	16	9
Toulonese and Corsican Emigrants	-	-	-	1,061	-	-	2,270	-	-
Refuge for the Destitute	-	-	-	-	-	-	325	-	-
Polish Refugees, &c.	-	-	-	-	-	-	1,200	-	-
Miscellaneous Charges, formerly on Civil List	-	-	-	-	-	-	2,371	-	-
Patent Law Amendment Act Expenses	-	-	-	-	-	-	11,215	-	-
Statute Law Commission	-	-	-	-	-	-	2,711	-	-
Registration of Joint Stock Companies	-	-	-	-	-	-	2,270	-	-
Merchant Seamen's Fund	-	-	-	-	-	-	36,115	-	-
Battersea Park	-	-	-	-	-	-	5,500	-	-
Chelsea Embankment	-	-	-	21,000	-	-	25,000	-	-
Lighthouses Abroad	-	-	-	-	-	-	10,700	-	-
Agricultural Statistics	-	-	-	-	-	-	5,800	-	-
Board of Fisheries, Scotland	-	-	-	-	-	-	3,424	13	10
Reciprocity Dues	-	-	-	-	-	-	35,338	4	9
Inspectors of Corn Returns	-	-	-	-	-	-	1,528	7	1
British Consulate Buildings, Constantinople	-	-	-	-	-	-	5,752	-	-
British Embassy Chapel, Constantinople	-	-	-	959	6	11	—		
Buildings, Courts of Law, Isle of Man	-	-	-	-	-	-	1,550	-	-
Iron Doors for Record Repository	-	-	-	-	-	-	9,000	-	-
Site of New Foreign Office	-	-	-	-	-	-	29,000	-	-
American Claimants	-	-	-	-	-	-	12,131	-	-
Distressed British Seamen Abroad	-	-	-	-	-	-	13,000	-	-
Pall Mall and Green Park Improvements	-	-	-	-	-	-	5,800	-	-
Monument to Sir John Franklin and others	-	-	-	-	-	-	400	-	-
Crimean Medals	-	-	-	-	-	-	80,000	-	-
Museum at Kensington Gore	-	-	-	-	-	-	11,000	-	-
Civil Contingencies	-	-	-	16,916	-	-	100,000	-	-
Purchase of Land at Kensington Gore	-	-	-	19,000	-	-	—		

Appendix, No. 16.

	Balance of Amount Voted, A° 1853.	Balance of Amount Voted, A° 1854.	Balance of Amount Voted, A° 1855.
	£. s. d.	£. s. d.	£. s. d.
Accommodation for Stationery Office	- - -	2,500 - -	—
Corrupt Practices at Elections	14,000 - -	—	—
Salaries, &c. of Departments other than Legal	- - -	8,096 9 9	—
Universal Exhibition at Paris	- - -	10,747 8 7	—
Secretary of State for War Department	- - -	5,023 7 1	—
Statue of King Charles the First	- - -	960 - -	—
Australian Expedition	- - -	3,072 - 7	—
New Zealand	5,090 - -	—	—
Mercantile Marine and Steam Navigation Act	25,750 - -	—	—
Continental Electric Telegraph	30,000 - -	—	—
Certain Officers in Scotland, Salaries	- - -	26 19 8	—
Law Charges, Scotland	- - -	74,955 - -	—
Duchy of Cornwall Office, New Buildings	- - -	2,069 1 -	—
Public Buildings, Ireland	- - -	9,012 7 -	15,687 - -
Kingstown Harbour	- - -	- - -	2,246 - -
Household of Lord Lieutenant	- - -	- - -	3,235 19 3
Chief Secretary's Office, Ireland	- - -	- - -	13,682 - -
Paymaster of Civil Services' Office, Ireland	- - -	- - -	640 10 11
Board of Public Works, Ireland	- - -	- - -	10,789 - -
General Registry Office, Dublin	- - -	- - -	1,166 4 7
Law Charges, Ireland	- - -	7,450 17 9	51,720 - -
Court of Queen's Bench, Ireland - Salaries	- - -	- - -	294 19 -
,, Exchequer, Ireland - ditto	- - -	- - -	71 2 1
,, Common Pleas, Ireland - ditto	- - -	- - -	214 15 1
Registration of Judgments, Ireland	- - -	- - -	177 - -
Insolvent Debtors' Court, Ireland	- - -	- - -	331 17 9
Metropolitan Police, Dublin	- - -	- - -	3,000 - -
Constabulary Force, Ireland	- - -	- - -	20,165 15 9
Four Courts Marshalsea Prison, Ireland	- - -	- - -	64 18 6
National Education, Ireland	- - -	- - -	88,200 - -
Queen's Colleges, Ireland	- - -	- - -	4,687 - -
Queen's University, Ireland	- - -	- - -	500 - -
Royal Irish Academy	- - -	- - -	23 11 2
Belfast Academical Institution	- - -	- - -	784 4 1
House of Industry, Dublin	- - -	- - -	5,059 - -
Female Orphan House, Dublin	- - -	- - -	300 - -
Nonconforming Ministers, Ireland	- - -	- - -	2,303 18 -
Concordatum Fund, Ireland	- - -	- - -	974 2 8
Incumbered Estates Commission	- - -	- - -	70 12 3
Publication of Ancient Laws, Ireland	- - -	- - -	400 - -
Process Servers in Ireland	- - -	- - -	4,848 - -
National Gallery, Dublin	- - -	- - -	3,000 - -
Foundling Hospital, Dublin	- - -	284 2 9	1,295 - -
High Court of Delegates, Ireland	- - -	- - -	100 10 -
TOTALS £.	77,653 16 8	412,107 10 6	6,280,072 8 4

Exchequer, 14 June 1856.

Monteagle, Comptroller-general.

Appendix, No. 17.

A RETURN of the VOTES under the Head of MISCELLANEOUS ESTIMATES, specifying each on which there is a Surplus of Money Voted, and setting forth the different Years in which the Accumulation of unexpended but appropriated Money has arisen.

HEADS OF SERVICE.	Amount of the Vote for the Year.	Unissued in the Exchequer on 31 March 1856.	In the Hands of the Paymaster-General, and of the Paymaster of Civil Services in Ireland, on 31 March 1856.
Year 1841-42.	£. s. d.	£. s. d.	£. s. d.
Public Walks	10,000 – –	– – –	2,462 10 –
Year 1849-50.			
Nelson Monument	2,800 – –	– – –	329 1 10
Year 1850-51.			
Ordnance Office, Pall Mall	22,000 – –	– – –	1,480 17 7
Isle of Man, Courts of Law	– – –	– – –	2,574 2 9
		£.	4,055 – 4
Year 1851-52.			
New Zealand	20,000 – –	– – –	947 13 11
Year 1852-53.			
New Zealand	10,000 – –	– – –	10,000 – –
Census of the Population	40,200 – –	– – –	1,440 2 8
Ambassador's House, Madrid	783 – –	– – –	1 – 4
		£.	11,441 3 –
Year 1853-54.			
Geological Survey	44,476 – –	– – –	480 5 10
Port Patrick Harbour	2,556 – –	*269 12 2	– 6 –
Irish Office, London	1,130 – –	– – –	286 18 3
Royal Dublin Society	2,500 – –	– – –	2,500 – –
Indian Department, Canada	12,151 – –	*2,544 4 6	—
New Zealand	5,090 – –	*5,090 – –	—
Captured Negroes	20,000 – –	– – –	1,593 6 3
Lighthouses Abroad	10,930 – –	– – –	6,551 9 2
Chelsea Bridge	5,500 – –	– – –	1,458 8 10
Mercantile Marine and Steam Navigation Act	25,750 – –	*25,750 – –	—
Corrupt Practices at Elections	30,000 – –	*14,000 – –	553 16 6
Electric Telegraph, Continental	30,000 – –	*30,000 – –	—
Funeral of the late Duke of Wellington	80,000 – –	– – –	24,866 4 1
	£.	77,653 16 8	38,290 14 11
Year 1854-55.			
Civil Contingencies	100,000 – –	16,916 – –	1,083 7 11
Buckingham Palace	19,437 – –	– – –	367 14 6
Stationery Office, Works and Fittings	10,000 – –	2,500 – –	843 3 10
Public Record Repository	10,000 – –	3,000 – –	—
Port Patrick Harbour	676 – –	676 – –	—
Public Works, Ireland	26,118 – –	*9,012 7 –	—
Offices, &c., in Scotland	1,700 – –	*26 19 8	—
Chief Secretary's Office, Ireland	16,744 – –	– – –	878 16 10
Law Charges, Scotland	92,455 – –	*74,955 – –	37 5 5
Law Charges, Ireland	55,470 – –	7,450 17 9	2,250 9 2

* These sums have been surrendered as savings since the 31st March.

HEADS OF SERVICE.	Amount of the Vote for the Year.	Unissued in the Exchequer on 31 March 1856.	In the Hands of the Paymaster-General, and of the Paymaster of Civil Services in Ireland, on 31 March 1856.
Year 1854–55—*continued.*	£. s. d.	£. s. d.	£. s. d.
Transportation of Convicts	92,765 – –	54,144 18 6	3,756 – 8
Department of Practical Art	79,845 – –	*17,333 6 7	—
University of London	3,875 – –	2,830 – –	—
British Museum Buildings	101,142 – –	- - -	8,108 13 –
Clergy, North America	7,547 – –	2,547 – –	104 5 7
Indian Department, Canada	9,438 – –	4,438 – –	273 11 9
Justices, West Indies	28,875 – –	961 12 8	1,088 3 11
Heligoland	976 – –	- - -	286 15 2
Hong Kong	4,400 – –	- - -	726 19 11
Support of Captured Negroes	20,000 – –	20,000 – –	—
Suppression of Slave Trade	11,250 – –	6,250 – –	2,855 2 1
Toulonese and Corsican Emigrants	2,561 – –	1,061 – –	400 7 7
Foundling Hospital, Dublin	1,352 – –	284 2 9	—
Chelsea Embankment	35,000 – –	21,000 – –	669 12 –
Lighthouses Abroad	10,900 – –	10,900 – –	—
Ambassador's Residence, Paris	3,393 – –	- - -	119 18 –
British Consulate Buildings, Constantinople	10,000 – –	- - -	51 16 7
Chapel, Constantinople	2,055 – –	959 6 11	762 15 6
British Protestant Cemetery, Madrid	1,400 – –	- - -	39 1 10
Museum for Royal Society, Dublin	2,500 – –	2,500 – –	—
Land at Kensington Gore	27,500 – –	19,000 – –	1,000 – –
Exploration of Australia	5,000 – –	3,072 – 7	715 8 4
Suitors' Fund, Admiralty Court	25,000 – –	1,700 – –	—
Monuments, Westminster Abbey	2,500 – –	2,500 – –	—
Statue of Charles I. at Charing Cross	1,000 – –	960 – –	—
Secretary of State for War	17,000 – –	5,023 7 1	1,162 16 4
Duchy of Cornwall Office	16,889 – –	2,069 1 –	1,409 14 5
Exhibition at Paris	50,000 – –	10,747 8 7	962 13 –
Customs, Salaries, &c.	840,785 – –	* 35,507 3 7	—
Customs, Coast Guard	479,320 – –	* 48,509 8 4	—
Inland Revenue, Salaries, &c.	1,154,594 – –	* 5,993 6 9	—
Post Office, Salaries, &c.	1,525,335 – –	* 45,758 13 –	—
Salaries, &c., formerly on Consolidated Fund	149,859 – –	* 8,096 9 9	2,897 1 7
Legal Salaries - - - ditto	849,402 – –	- - -	25,141 11 7
Miscellaneous Charges - ditto	109,634 – –	- - -	2,459 – 10
	£.	448,683 10 6	60,452 7 4
Year 1855–56.			
Civil Contingencies	100,000 – –	† 100,000 – –	—
Royal Palaces and Public Buildings	154,952 – –	32,952 – –	15,908 12 4
Royal Parks, Pleasure Gardens, &c.	69,544 – –	14,544 – –	5,776 12 8
New Houses of Parliament	122,209 – –	20,209 – –	11,173 1 5
General Repository of Public Records	6,000 – –	6,000 – –	373 15 –
Holyhead Harbour, &c.	122,841 – –	17,610 6 5	2,213 17 10
Harbours of Refuge	234,000 – –	138,000 – –	3,855 11 4
Port Patrick Harbour	375 – –	375 – –	—
Public Buildings, Ireland	30,963 – –	‡ 15,687 – –	276 – –
Kingstown Harbour	5,876 – –	2,246 – –	—
Two Houses of Parliament Salaries	82,140 – –	52,140 – –	16,176 10 –
Treasury ditto	54,400 – –	8,400 – –	7,533 13 9
Home Department ditto	27,595 – –	7,595 – –	5,980 9 6
Foreign - ditto ditto	83,849 – –	- - -	12,449 4 6
Colonial - ditto ditto	35,897 – –	9,897 – –	7,877 18 1
Privy Council Office and Board of Trade ditto	75,733 – –	12,733 – –	5,969 12 6
Lord Privy Seal ditto	2,700 – –	- - -	476 6 2
Paymaster-General's Office ditto	25,211 – –	4,211 – –	2,123 1 10
Exchequer ditto	7,314 – –	3,814 – –	782 7 –
Office of Works, &c. ditto	21,595 – –	- - -	1,375 18 8
Public Records and State Paper Office ditto	14,098 – –	9,098 – –	2,089 4 8
Poor Law Commissioners ditto	205,383 – –	149,083 – –	17,685 19 –
Inspectors of Factories, &c. ditto	15,530 – –	3,530 – –	3,287 6 1
Exchequer and Offices, Scotland ditto	5,156 – –	1,498 13 8	—
Household of Lord Lieutenant of Ireland ditto	6,431 – –	3,235 19 3	1,411 8 4
Chief Secretary, Ireland ditto	17,032 – –	13,682 – –	3,350 – –
Paymaster of Civil Services, Ireland ditto	6,889 – –	640 10 11	544 8 –
Board of Public Works, Ireland ditto	22,789 – –	10,789 – –	—
Audit Office ditto	46,421 – –	5,421 – –	3,726 10 10

(*continued*)

* These sums have been surrendered as savings since the 31st March. † 60,000 *l.* of this sum has been surrendered as a saving since 31st March.

‡ Of this sum 6,692 *l.* 9 *s.* 4 *d.* has been surrendered as a saving since 31st March.

HEADS OF SERVICE.	Amount of the Vote for the Year.	Unissued in the Exchequer on 31 March 1856.	In the Hands of the Paymaster-General, and of the Paymaster of Civil Services in Ireland, on 31 March 1856.
Year 1855-56—*continued.*	£. s. d.	£. s. d.	£. s. d.
Copyhold Inclosure and Tithe Commission - - Salaries	16,270 – –	- - -	2,245 2 7
Ditto - - ditto - - ditto - Imprest Expenses	12,190 – –	- - -	3,991 3 11
General Register Office, England - - - Salaries	42,500 – –	5,500 – –	1,546 6 10
Ditto - ditto - Scotland - - - ditto	5,715 – –	- - -	130 2 9
Ditto - ditto - Ireland - - - ditto	3,768 – –	1,166 4 7	411 3 10
Public Works Loan Commissioners - - - ditto	3,260 – –	- - -	7 1 6
West India Relief Commission - - - - ditto	1,570 – –	500 – –	—
Commissioners in Lunacy - - - Contingent Expenses	820 – –	220 – –	277 19 8
Office of Metropolitan Buildings - - - - -	3,000 – –	- - -	750 – –
General Superintendent of Roads, South Wales - - -	984 – –	- - -	305 19 7
Registrar of Friendly Societies in England - - - -	1,610 – –	- - -	670 5 11
Secret Service - - - - - - - - -	32,000 – –	10,646 4 –	47 8 –
Printing and Stationery - - - - - - - -	360,470 – –	- - -	3 6 3
Law Charges and Mint Prosecutions - - - - -	35,941 – –	- - -	2,269 11 7
Prosecutions, formerly County Rates - - - - -	250,000 – –	160,000 – –	3,600 14 6
Queen's Bench, Crown Office - - - - - -	2,050 – –	1,743 19 4	—
Exchequer, Queen's, and Lord Treasurer's Remembrancer -	15,900 – –	14,900 – –	906 13 8
Registrar of Admiralty Court - - - - - - -	6,000 – –	1,500 – –	—
Insolvent Debtors' Court - - - - - - - -	8,415 – –	3,890 – –	—
County Courts, Treasurers' Salaries - - - - -	13,850 – –	2,350 – –	887 10 –
Police Courts, Metropolis - - - - - - -	23,254 – –	3,392 12 7	—
Metropolitan Police - - - - - - - - -	101,218 – –	31,030 9 9	—
Queen's Prison - - - - - - - - -	4,226 – –	1,214 2 9	225 10 –
Prosecutions, Lord Advocate, Scotland - - - -	7,755 – –	7,755 – –	—
Court of Sessions, Scotland - - - - Salaries	17,526 – –	- - -	311 13 3
Exchequer, Legal Branch, Scotland - - - - -	1,593 – –	256 16 1	—
Sheriffs, &c., Criminal Prosecutions, Scotland - - -	57,000 – –	57,000 – –	—
Expenses in matters of Tithes, &c., Scotland - - -	2,250 – –	2,150 – –	—
General Register House, Edinburgh - - - - -	11,166 – –	- - -	443 1 6
Law Charges, Ireland - - - - - - - -	51,720 – –	51,720 – –	—
Court of Chancery, Ireland - Salaries and Expenses	1,294 – –	- - -	284 11 4
Court of Queen's Bench, Ireland - - ditto - -	1,338 – –	294 19 –	95 9 10
Court of Common Pleas, Ireland - - ditto - -	1,311 – –	214 15 1	71 5 10
Court of Exchequer, Ireland - - - ditto - -	1,320 – –	71 2 1	102 17 2
Taxing Officer of Law Courts, Ireland - - - -	200 – –	- - -	50 – –
Registrar to the Judges, Ireland - - - - -	5,232 – –	- - -	2,409 6 6
Registrar of Judgments, Ireland - - - Salaries	1,906 – –	177 – –	170 10 –
High Court of Delegates, Fees to Advocates, Ireland - -	300 – –	100 10 –	—
Insolvent Debtors Courts, Ireland - Salaries and Expenses	3,146 – –	331 17 9	702 9 9
Clerk of Court of Errors, Ireland - - - Salary	267 – –	- - -	66 16 –
Police Justices, Dublin - - - - - Salaries	1,600 – –	- - -	400 – –
Dublin Police - - - - - - - - - -	31,000 – –	3,000 – –	—
Constabulary Police, Ireland - - - - - - -	638,511 – –	20,165 15 9	48,327 14 1
Four Courts, Marshalsea, Ireland - Salaries and Expenses	1,942 – –	64 18 6	388 – –
Prisons, Superintendence - - - - - - -	18,770 – –	1,622 6 8	2,826 12 7
Ditto Establishments at Home - - - - -	375,479 – –	165,200 8 11	17,820 17 1
Ditto Maintenance in County Gaols, &c. - - -	166,174 – –	140,324 – –	12,605 9 7
Ditto Transportation - - - - - - - -	59,405 – –	59,405 – –	—
Ditto Convict Establishments, Colonies - - - -	297,621 – –	135,938 9 –	4,169 18 5
Education, Great Britain - - - - - - -	396,921 – –	41,921 – –	18,314 10 11
Ditto - Ireland - - - - - - - -	215,200 – –	88,200 – –	—
Commissioners of Education, Ireland - Official Expenses	605 – –	- - -	154 10 –
Board of Trade, Science and Art - - - - -	79,364 – –	14,504 14 4	7,860 18 3
University of London - - - - - - -	3,858 – –	3,858 – –	—
Universities, &c., in Scotland - - - - - -	7,952 – –	4,155 10 2	—
Queen's University, in Ireland - - - - - -	2,366 – –	500 – –	—
Queen's Colleges, Ireland - - - - - - -	9,552 – –	4,687 – –	278 15 5
Royal Irish Academy - - - - - - - -	647 – –	23 11 2	123 8 10
Belfast Theological Professors - - - - - -	2,600 – –	784 4 1	537 10 –
British Museum Buildings - - - - - - -	27,520 – –	27,520 – –	—
Ditto - - Purchases - - - - - - -	4,000 – –	- - -	* 4,000 – –
National Gallery - - - - - - - -	17,696 – –	3,696 – –	915 8 9
Scientific Works and Experiments - - - - - -	6,409 – –	3,503 10 9	—
Bermudas - - - - - - - - - -	4,050 – –	1,501 – –	711 2 4
Clergy, North America - - - - - - - -	7,397 – –	7,397 – –	—
Indian Department, Canada - - - - - - -	7,010 – –	7,010 – –	—
Governors, West Indies, &c. - - - - - - -	24,728 – –	20,728 – –	3,727 12 –
Justices - ditto - - - - - - - -	24,750 – –	24,750 – –	—
Western Coast of Africa - - - - - - - -	10,630 – –	9,130 – –	297 2 3

* 3,981 *l.* 16 *s.* due to Civil Contingencies.

HEADS OF SERVICE.	Amount of the Vote for the Year.	Unissued in the Exchequer on 31 March 1856.	In the Hands of the Paymaster-General, and of the Paymaster of Civil Services in Ireland, on 31 March 1856.
Year 1855-56—*continued.*	£. s. d.	£. s. d.	£. s. d.
St. Helena	11,057 – –	2,557 – –	1,152 – –
Heligoland	976 – –	976 – –	—
Falkland Islands	2,807 – –	100 – –	1,488 3 9
Hong Kong	3,800 – –	3,800 – –	—
Emigration	16,720 – –	11,720 – –	1,279 13 6
Emigrants in Canada	10,500 – –	10,500 – –	—
Captured Negroes	10,000 – –	10,000 – –	—
Commissioners, Slave Trade Suppression	11,250 – –	11,250 – –	—
Consuls Abroad	157,669 – –	13,084 7 –	1,769 8 2
Superannuations	138,609 – –	41,776 16 9	11,847 5 9
Toulonese and Corsican Emigrants	2,270 – –	2,270 – –	—
Refuge for the Destitute	325 – –	325 – –	—
Polish Refugees and Distressed Spaniards	4,200 – –	1,200 – –	861 7 8
Miscellaneous Charges, formerly Civil List	4,371 – –	2,371 – –	1,426 15 11
Public Infirmaries, Ireland	2,985 – –	- - -	490 8 8
Foundling Hospital, Dublin	1,295 – –	1,295 – –	—
House of Industry, Dublin	11,790 – –	5,059 – –	2 – –
Female Orphan House, Dublin	500 – –	300 – –	—
Dissenting Ministers, Ireland	38,953 – –	2,303 18 –	50 19 9
Concordatum Fund, Ireland	6,384 – –	974 2 8	370 5 3
General Board of Health	10,945 – –	- - -	4,699 12 6
Ecclesiastical Commissioners	3,498 – –	- - -	1,510 14 8
Charity Commissioners, England	12,390 – –	- - -	3,494 11 7
Patent Law Amendment Act	22,572 – –	11,215 – –	2,622 6 –
Statute Law Commissioners	3,711 – –	2,711 – –	644 5 5
Incumbered Estates Commission, Ireland	15,480 – –	70 12 3	3,933 10 1
Brehon Laws Commissioners, Ireland	900 – –	400 – –	—
Process Servers, Ireland	9,000 – –	4,848 – –	—
Joint Stock Company Registration	2,270 – –	2,270 – –	—
Merchant Seamen's Fund, Pensions	69,115 – –	36,115 – –	1,055 7 10
Battersea Park	25,500 – –	5,500 – –	3,685 12 9
Chelsea Embankment	25,000 – –	25,000 – –	—
Lighthouses Abroad	10,700 – –	10,700 – –	—
Agricultural Statistics	10,300 – –	5,800 – –	730 1 5
Fishery Board, Scotland	14,000 – –	3,424 13 10	—
Commissioners of Highland Roads and Bridges	5,000 – –	- - -	5,000 – –
Bounties on Slaves	12,000 – –	8,000 – –	997 – –
Dues under Treaties of Reciprocity	68,500 – –	35,338 4 9	—
Revising Barristers	17,850 – –	- - -	142 16 –
Inspectors of Corn Returns	3,800 – –	1,528 7 1	—
Quarantine Expenses	3,600 – –	- - -	841 14 7
British Consulate Buildings, Constantinople	5,752 – –	5,752 – –	—
Ambassador's Residence, Constantinople	4,578 – –	- - -	1,262 9 4
Building Courts of Law, Isle of Man	1,550 – –	1,550 – –	—
Public Records Repository, Iron Doors	9,000 – –	9,000 – –	—
Downing-street Buildings	40,000 – –	29,000 – –	6,001 3 4
Army and Navy Medals	132,500 – –	80,000 – –	1,253 3 6
United States Claimants	68,131 – –	12,131 – –	1,851 – 6
British Seamen Abroad, Relief	17,000 – –	13,000 – –	833 19 3
National Gallery, Ireland	3,000 – –	3,000 – –	—
Cape of Good Hope, Employment of Native Tribes	40,000 – –	20,000 – –	—
Pall Mall to Green Park, Continuation	5,800 – –	5,800 – –	—
Monument to Sir John Franklin	800 – –	400 – –	—
Museum at Kensington Gore	15,000 – –	11,000 – –	1,045 12 –
Customs, Salaries, &c.	835,182 – –	230,696 8 1	—
Ditto - Coast Guard	483,238 – –	145,308 15 3	—
Inland Revenue, Salaries	1,365,950 – –	462,135 13 2	—
Ditto - Revenue Police	62,720 – –	17,725 2 –	—
Post Office, Salaries, &c.	1,638,861 – –	469,137 14 11	—
	£.	3,581,527 8 4	341,204 10 11

Appendix, No. 17.

ABSTRACT of the AMOUNT of UNEXPENDED BALANCES on the several VOTES for MISCELLANEOUS SERVICES, on the 31st March 1856.

YEARS.	Unexpended Balances on 31st March 1856.		TOTALS.
	In the Exchequer.	In the Pay Offices.	
	£. s. d.	£. s. d.	£. s. d.
Voted in 1841-42 - - - -	- - -	2,462 - -	2,462 - -
„ 1849-50 - - - -	- - -	329 1 10	329 1 10
„ 1850-51 - - - -	- - -	4,055 - 4	4,055 - 4
„ 1851-52 - - - -	- - -	947 13 11	947 13 11
„ 1852-53 - - - -	- - -	11,441 3 -	11,441 3 -
„ 1853-54 - - - -	77,653 16 8	38,290 14 11	115,944 11 7
Deduct savings surrendered since 31st March - - - -	77,653 16 8	- - -	77,653 16 8
	—	38,290 14 11	38,290 14 11
Voted in 1854-55 - - - -	448,683 10 6	60,452 7 4	509,135 17 10
Deduct savings - - - -	245,192 14 8	- - -	245,192 14 8
	203,490 15 10	60,452 7 4	263,943 3 2
Voted in 1855-56 - - - -	3,581,527 8 4	341,204 10 11	3,922,731 19 3
Deduct savings - - - -	66,692 9 4	- - -	66,692 9 4
	3,514,834 19 -	341,204 10 11	3,856,039 9 11
NET TOTAL, after abating Savings surrendered since the 31st March 1856 - - - - £.	3,718,325 14 10	459,182 12 3	4,177,508 7 1

Treasury, 18 June 1856.

James Wilson.

Appendix, No. 18.

AN ACCOUNT of the SUM remaining in the EXCHEQUER, &c., on 31 March 1856, on Account of CIVIL CONTINGENCIES. Appendix, No. 18.

	£.	s.	d.
Balance in the Exchequer, being the Amount remaining unissued out of the Vote for 1854–5	16,916	–	–
Balance in the Exchequer, being the Amount voted for the Year 1855–6 (unissued)	100,000	–	–
Balance in the Bank of Ireland	1,083	7	11
£.	117,999	7	11
Less,— Advanced by Paymaster-general (same date)	8,097	13	–
TOTAL £.	109,901	14	11

Appendix, No. 19.

PAPER delivered in by the Assistant Paymaster-General, 4 July 1856. Appendix, No. 19.

BALANCES on the MISCELLANEOUS DEPOSIT FUNDS in the hands of the Paymaster-General on 31 March 1856.

		£.	s.	d.
County Courts Fund (surplus fees and suitors' money)	Under the control of the Treasury.	752	18	1
Effects of deceased British subjects	ditto	3,586	7	5
French Indemnity	ditto	4,660	3	5
Highland Education (dividends on stock)	ditto	1,534	11	6
Irish Reproductive Loan Fund (dividends on stock)	ditto	736	3	5
Knights of Malta (balance of money supplied by the colony for the pensions of the knights).		141	5	–
Persian Embassy (from the East India Company, for the expenses of the embassy).		17,711	14	2
Slave Compensation (dividends on stock)	Treasury	1,036	8	3
Slave Compensation Reserve Fund (dividends on stock)	ditto	686	10	9
Metropolis Improvements, General Account	Commissioners of Works.	2,586	10	5
Metropolis Improvements, Spitalfields Extension	ditto	4,915	–	3
Menai and Conway Bridges (tolls)	ditto	2,193	16	8
Westminster Improvements	ditto	1,774	6	2
Miscellaneous Account (sundry works)	ditto	6,208	19	10
New Inland Revenue Office	ditto	26,504	15	9
Brompton Cemetery (burial fees)	ditto	1,832	9	9
Pimlico Improvements	ditto	2,861	4	3
Southwark Improvements	ditto	2,222	7	1
Westminster New Bridge	ditto	27,505	1	2
Royal Military Asylum, Chelsea	ditto	2,928	8	1
Fee Fund Account of the Superior Courts of Law	Treasury	30,671	5	4
General Board of Health (expenses of surveys repayable to Ordnance).	ditto	4,336	6	9
Crown's Nominee Account	ditto	33,525	18	4
Suspense Account (various small sums held until decided to whom payable).	ditto	1,829	2	–
Wages and effects of deceased merchant seamen	Board of Trade	30,952	4	1
Compensation to owners of the "Highlander," remitted by the French Government.	Treasury	587	6	7
Mercantile Marine Fund	Board of Trade	85,300	18	1
Nautical schools	ditto	1,481	13	9
Registrar of Joint-stock Companies (fees)	ditto	2,722	14	3
Admiralty Court Deposit Fund (surplus balances of suitors' monies).	Treasury	55,413	3	11
Monies payable to Exchequer	ditto	53,959	15	4
Copyhold and Tithe Commission Deposit Account	ditto	36,000	–	–

Paymaster-General's Office, 4 July 1856.

Appendix, No. 20.

Appendix, No. 20. AN ACCOUNT of all MONIES received by the Paymaster-General, except such as were drawn from the Exchequer, or were Repayments of MONIES issued for Services from the Exchequer; Date of such Receipts, and Dates of Payment into the Exchequer, when so paid, for the Year 1855-6; viz.—

CASH RECEIPTS and TRANSFERS in 1855-6 Payable to EXCHEQUER.

Date of Receipt or Transfer.	SERVICES.	Cash Receipts.	Transfers.	Date of Payment to Exchequer.
		£. s. d.	£. s. d.	
15 Oct. 1855	Hereditary Revenues - - -	- - -	552 7 10	24 Dec. 1855
26 Dec. „	- ditto - - - - -	- - -	161 12 5	12 Mar. 1856
27 Mar. 1856	- ditto - - - - -	- - -	206 11 3	18 June „
	SURPLUS FEES OF PUBLIC OFFICES:			
3 Aug. 1855	Police Courts - - - - -	2,684 18 9	- - -	24 Dec. 1855
26 Oct. „	- ditto - - - - -	2,850 16 6	- - -	„ „
31 Dec. „	- ditto - - - - -	2,898 5 11	- - -	12 Mar. 1856
15 May „	Lunacy Commissioners - - -	128 — —	- - -	24 Dec. 1855
12 July „	- ditto - - - - -	158 — —	- - -	„ „
18 Dec. „	- ditto - - - - -	134 10 —	- - -	12 Mar. 1856
23 Feb. 1856	- ditto - - - - -	743 7 6	- - -	„ „
4 April 1855	Exchequer - - - - -	13 18 6	- - -	24 Dec. 1855
30 June „	- ditto - - - - -	11 16 —	- - -	„ „
28 Sept. „	- ditto - - - - -	22 8 —	- - -	„ „
31 Dec. „	- ditto - - - - -	9 18 6	- - -	12 Mar. 1856
29 Mar. 1856	- ditto - - - - -	4 8 —	- - -	18 June „
26 May 1855	Scotland, per Queen's and Lord Treasurer's Remembrancer.	- - -	1,301 3 2	1 Oct. 1855
„ „	- - ditto - - - - -	- - -	2,490 11 5	„ „
„ „	- - ditto - - - - -	- - -	552 14 1	„ „
25 June „	- - ditto - - - - -	- - -	9,933 5 3	„ „
26 Sept. „	- - ditto - - - - -	- - -	5,243 16 8	24 Dec. „
26 Dec. „	- - ditto - - - - -	- - -	8,148 5 10	12 Mar. 1856
27 Mar. 1856	- - ditto - - - - -	- - -	7,668 7 2	18 June „
14 Nov. 1855	Contributions for Salaries of Official Referees.	120 — —	- - -	12 Mar. „
3 Dec. „	- - ditto - - - - -	50 — —	- - -	„ „
19 „ „	- - ditto - - - - -	500 — —	- - -	„ „
26 „ „	- - ditto - - - - -	160 — —	- - -	„ „
7 Feb. 1856	- - ditto - - - - -	40 — —	- - -	„ „
14 Dec. 1855	Secretary of Presentations to Lord Chancellor.	265 13 6	- - -	„ „
3 Jan. 1856	Secretary of Commissions to Lord Chancellor.	211 14 5	- - -	„ „
10 „ „	Record Office - - - - -	115 3 6	- - -	„ „
11 „ „	Home Office - - - - -	280 11 —	- - -	„ „
29 Feb. „	- ditto - - - - -	4 14 6	- - -	„ „
16 Jan. „	Colonial Office - - - -	7 13 6	- - -	„ „
12 Mar. „	- ditto - - - - -	7 13 6	- - -	18 June „
11 „ „	Crown Office - - - -	12 2 —	- - -	„ „
31 Dec. 1855	General Register Office - - -	128 5 6	- - -	12 Mar. „
29 Feb. 1856	Salaries of late Marshalsea - -	- - -	153 15 —	„ „
2 April 1855	Gross Revenue of "London Gazette" -	283 5 7	- - -	12 May 1855
5 „ „	- - ditto - - - - -	161 1 3	- - -	„ „
9 „ „	- - ditto - - - - -	187 19 11	- - -	„ „
14 „ „	- - ditto - - - - -	284 5 9	- - -	„ „
22 „ „	- - ditto - - - - -	287 10 9	- - -	„ „
28 „ „	- - ditto - - - - -	303 18 2	- - -	„ „
7 May „	- - ditto - - - - -	451 13 11	- - -	21 June „
12 „ „	- - ditto - - - - -	369 8 3	- - -	„ „
24 „ „	- - ditto - - - - -	283 1 8	- - -	„ „
31 „ „	- - ditto - - - - -	282 15 3	- - -	„ „
4 June „	- - ditto - - - - -	360 5 1	- - -	12 July „
11 „ „	- - ditto - - - - -	310 6 6	- - -	„ „

Date of Receipt or Transfer.	SERVICES.	Cash Receipts. £. s. d.	Transfers.	Date of Payment to Exchequer.
20 June 1855	Gross Revenue of "London Gazette" -	367 5 11	- - -	12 July 1855
25 „ „	- - ditto - - - - -	337 8 4	- - -	„ „
30 „ „	- - ditto - - - - -	121 1 7	- - -	„ „
5 July „	- - ditto - - - - -	173 - 6	- - -	24 Dec. „
12 „ „	- - ditto - - - - -	326 10 1	- - -	„ „
17 „ „	- - ditto - - - - -	298 4 6	- - -	„ „
25 „ „	- - ditto - - - - -	313 11 10	- - -	„ „
28 „ „	- - ditto - - - - -	20 - -	- - -	„ „
2 Aug. „	- - ditto - - - - -	232 5 5	- - -	„ „
6 „ „	- - ditto - - - - -	172 8 3	- - -	„ „
8 „ „	- - ditto - - - - -	185 18 10	- - -	„ „
15 „ „	- - ditto - - - - -	334 17 1	- - -	„ „
18 „ „	- - ditto - - - - -	128 7 2	- - -	„ „
25 „ „	- - ditto - - - - -	247 1 5	- - -	„ „
30 „ „	- - ditto - - - - -	97 14 4	- - -	„ „
5 Sept. „	- - ditto - - - - -	242 5 5	- - -	„ „
12 „ „	- - ditto - - - - -	232 14 11	- - -	„ „
21 „ „	- - ditto - - - - -	222 4 8	- - -	„ „
29 „ „	- - ditto - - - - -	185 16 -	- - -	„ „
4 Oct. „	- - ditto - - - - -	216 8 2	- - -	„ „
25 „ „	- - ditto - - - - -	767 9 10	- - -	„ „
2 Nov. „	- - ditto - - - - -	247 7 10	- - -	„ „
7 „ „	- - ditto - - - - -	314 6 5	- - -	„ „
15 „ „	- - ditto - - - - -	287 11 8	- - -	„ „
22 „ „	- - ditto - - - - -	313 6 1	- - -	„ „
29 „ „	- - ditto - - - - -	844 11 -	- - -	„ „
7 Dec. „	- - ditto - - - - -	542 18 6	- - -	12 Mar. 1856
13 „ „	- - ditto - - - - -	333 9 8	- - -	„ „
19 „ „	- - ditto - - - - -	322 18 -	- - -	„ „
28 „ „	- - ditto - - - - -	252 6 7	- - -	„ „
4 Jan. 1856	- - ditto - - - - -	305 19 6	- - -	„ „
10 „ „	- - ditto - - - - -	181 1 11	- - -	„ „
12 „ „	- - ditto - - - - -	173 1 1	- - -	„ „
19 „ „	- - ditto - - - - -	299 17 2	- - -	„ „
26 „ „	- - ditto - - - - -	335 8 3	- - -	„ „
5 Feb. „	- - ditto - - - - -	388 13 7	- - -	„ „
11 „ „	- - ditto - - - - -	272 7 11	- - -	„ „
15 „ „	- - ditto - - - - -	245 10 8	- - -	„ „
22 „ „	- - ditto - - - - -	303 5 9	- - -	„ „
28 „ „	- - ditto - - - - -	254 13 2	- - -	„ „
7 Mar. „	- - ditto - - - - -	262 9 9	- - -	18 June „
8 „ „	- - ditto - - - - -	162 12 3	- - -	„ „
13 „ „	- - ditto - - - - -	219 14 6	- - -	„ „
20 „ „	- - ditto - - - - -	293 17 -	- - -	„ „
24 „ „	- - ditto - - - - -	160 3 3	- - -	„ „
28 „ „	- - ditto - - - - -	139 13 8	- - -	„ „
18 May 1855	General Board of Health: Expenses of Preliminary Inquiries.	35 16 8	- - -	24 Dec. 1855
21 July „	- - ditto - - - - -	19 16 6	- - -	„ „
4 Aug. „	- - ditto - - - - -	18 17 8	- - -	„ „
18 „ „	- - ditto - - - - -	17 10 2	- - -	„ „
22 „ „	- - ditto - - - - -	35 13 9	- - -	„ „
29 „ „	- - ditto - - - - -	14 - 5	- - -	„ „
30 „ „	- - ditto - - - - -	17 18 7	- - -	„ „
12 Sept. „	- - ditto - - - - -	22 11 9	- - -	„ „
21 „ „	- - ditto - - - - -	22 4 2	- - -	„ „
6 Oct. „	- - ditto - - - - -	24 4 1	- - -	„ „
8 Nov. „	- - ditto - - - - -	11 12 -	- - -	„ „
14 „ „	- - ditto - - - - -	12 6 7	- - -	„ „
15 „ „	- - ditto - - - - -	8 14 5	- - -	„ „
3 Dec. „	- - ditto - - - - -	22 5 9	- - -	12 Mar. 1856
5 „ „	- - ditto - - - - -	19 17 7	- - -	„ „
7 „ „	- - ditto - - - - -	203 16 10	- - -	„ „
10 „ „	- - ditto - - - - -	57 11 8	- - -	„ „
19 „ „	- - ditto - - - - -	35 14 6	- - -	„ „
22 „ „	- - ditto - - - - -	16 11 4	- - -	„ „
29 „ „	- - ditto - - - - -	82 4 2	- - -	„ „
31 „ „	- - ditto - - - - -	107 17 -	- - -	„ „
11 Jan. 1856	- - ditto - - - - -	55 8 6	- - -	„ „
18 „ „	- - ditto - - - - -	23 13 -	- - -	„ „
23 „ „	- - ditto - - - - -	38 5 11	- - -	„ „
28 „ „	- - ditto - - - - -	14 1 2	- - -	„ „
29 „ „	- - ditto - - - - -	26 11 8	- - -	„ „
5 Feb. „	- - ditto - - - - -	28 15 8	- - -	„ „
7 „ „	- - ditto - - - - -	82 16 10	- - -	„ „

(continued)

Appendix, No. 20.

Date of Receipt or Transfer.	SERVICES.	Cash Receipts. £.	s.	d.	Transfers. £.	s.	d.	Date of Payment to Exchequer.	
9 Feb. 1856	General Board of Health: Expenses of Preliminary Inquiries.	157	9	2	-	-	-	12 Mar. 1856	
11 „ „	- - ditto - - - - - -	36	5	4	-	-	-	„	„
16 „ „	- - ditto - - - - - -	59	14	5	-	-	-	„	„
25 „ „	- - ditto - - - - - -	215	8	9	-	-	-	„	„
12 Mar. „	- - ditto - - - - - -	11	4	8	-	-	-	18 June	„
14 „ „	- - ditto - - - - - -	186	6	1	-	-	-	„	„
18 „ „	- - ditto - - - - - -	69	7	6	-	-	-	„	„
24 „ „	- - ditto - - - - - -	78	8	3	-	-	-	„	„
31 „ „	- - ditto - - - - - -	24	14	7	-	-	-	„	„
31 „ „	Conscience Money - - -	-	-	-	8	-	-	„	„
30 Jan. „	Record Office (Publications) - -	78	7	-	-	-	-	12 Mar.	„
21 „ „	Copyhold and Tithe Commission (Searches, &c.)	522	6	-	-	-	-	„	„
26 Dec. 1855	Convict Earnings (Scotland) - -	-	-	-	443	9	11	„	„
31 „ „	National Gallery (Catalogues) -	-	-	-	23	13	7	„	„
April - „	Gain by Exchange at Hanover -	203	9	11	-	-	-	31 May 1855	
May - „	- - ditto - - - - - -	3	12	4	-	-	-	31 Aug.	„
June - „	- - ditto - - - - - -	1	17	8	-	-	-	„	„
July - „	- - ditto - - - - - -	152	15	10	-	-	-	„	„
Aug. - „	- - ditto - - - - - -	3	14	-	-	-	-	24 Dec.	„
Sept. - „	- - ditto - - - - - -	1	6	10	-	-	-	„	„
Oct. - „	- - ditto - - - - - -	201	12	10	-	-	-	„	„
Nov. - „	- - ditto - - - - - -	3	1	8	-	-	-	„	„
Dec. - „	- - ditto - - - - - -	-	9	6	-	-	-	12 Mar. 1856	
Jan. - 1856	- - ditto - - - - - -	169	18	10	-	-	-	„	„
Feb. - „	- - ditto - - - - - -	3	10	4	-	-	-	Will be paid over in Aug. 1856.	
Mar. - „	- - ditto - - - - - -	1	6	11	-	-	-		
13 April 1855	Superannuation Abatements - -	44	-	-	-	-	-	31 May 1855	
17 „ „	- - ditto - - - - - -	70	8	8	-	-	-	„	„
27 „ „	- - ditto - - - - - -	18	8	3	-	-	-	„	„
30 „ „	- - ditto - - - - - -	-	-	-	2,215	2	3	„	„
2 May „	- - ditto - - - - - -	39	15	-	-	-	-	„	„
14 „ „	- - ditto - - - - - -	99	18	10	-	-	-	„	„
9 June „	- - ditto - - - - - -	7	17	4	-	-	-	31 Aug.	„
25 „ „	- - ditto - - - - - -	-	-	-	44	5	-	„	„
30 „ „	- - ditto - - - - - -	42	14	10	-	-	-	„	„
30 „ „	- - ditto - - - - - -	-	-	-	31	11	3	30	„
30 „ „	- - ditto - - - - - -	-	-	-	25	15	-	31	„
10 July „	- - ditto - - - - - -	58	13	3	-	-	-	„	„
27 „ „	- - ditto - - - - - -	18	8	3	-	-	-	„	„
31 „ „	- - ditto - - - - - -	-	-	-	2,349	14	10	„	„
3 Aug. „	- - ditto - - - - - -	279	12	11	-	-	-	„	„
31 „ „	- - ditto - - - - - -	-	-	-	21	3	4	24 Dec.	„
26 Sept. „	- - ditto - - - - - -	-	-	-	22	17	6	„	„
29 „ „	- - ditto - - - - - -	-	-	-	59	10	-	„	„
1 Oct. „	- - ditto - - - - - -	42	15	1	-	-	-	„	„
19 „ „	- - ditto - - - - - -	18	8	3	-	-	-	„	„
26 „ „	- - ditto - - - - - -	530	12	11	-	-	-	„	„
31 „ „	- - ditto - - - - - -	-	-	-	2,479	14	3	„	„
21 Nov. „	- - ditto - - - - - -	39	15	-	-	-	-	„	„
28 „ „	- - ditto - - - - - -	58	14	9	-	-	-	„	„
19 Dec. „	- - ditto - - - - - -	25	15	-	-	-	-	12 Mar. 1856	
31 „ „	- - ditto - - - - - -	407	17	7	-	-	-	„	„
31 „ „	- - ditto - - - - - -	-	-	-	39	18	5	„	„
17 Jan. 1856	- - ditto - - - - - -	59	5	6	-	-	-	„	„
19 „ „	- - ditto - - - - - -	18	8	3	-	-	-	„	„
23 „ „	- - ditto - - - - - -	64	10	-	-	-	-	„	„
31 „ „	- - ditto - - - - - -	-	-	-	2,682	13	8	„	„
29 Feb. „	- - ditto - - - - - -	-	-	-	1,342	16	5	„	„
29 „ „	- - ditto - - - - - -	-	-	-	314	3	2	„	„
29 „ „	- - ditto - - - - - -	-	-	-	1,432	19	2	„	„
31 Mar. „	- - ditto - - - - - -	228	4	9	-	-	-	18 June	„
31 „ „	- - ditto - - - - - -	-	-	-	2,187	6	11	„	„
29 Feb. „	Extra Receipts, Army - - -	-	-	-	349	19	3	12 Mar.	„
29 „ „	- - ditto - Navy - - -	-	-	-	65,671	13	7	„	„
29 „ „	- - ditto - Ordnance - -	-	-	-	71,999	17	9	„	„
31 Mar. „	- - ditto - Commissariat -	-	-	-	41,467	13	3	18 June	„
31 „ „	- - ditto - Public Dapartments	-	-	-	518	3	9	„	„

Less 277*l.* 3*s.* 7*d.*, returned to one of the contributors.

In addition to the foregoing Extra Receipts, which were mere transfers of account, the undermentioned Cash Receipts and Transfers were passed to the credit of the respective departments on orders received from those departments, and were payable to the Exchequer, under the provisions of the Treasury Minute of 2 May 1848; but as they form part of larger sums paid to the Exchequer quarterly upon orders from the departments concerned, embracing the receipts of their sub-accountants, the Paymaster-general has no means of identifying the separate sums received by him in the gross payments made to the Exchequer upon such orders."

Date of Receipt or Transfer.	SERVICES.	Cash Receipts. £. s. d.	Transfers. £. s. d.	Date of Payment to Exchequer.
April - 1855	Extra Receipts, Army - -	49 14 8	—	
June - „	- ditto - ditto - -	379 1 1	—	
Sept. - „	- ditto - ditto - -	8,341 15 –	—	
Feb. - 1856	- ditto - ditto - -	263 17 8	—	
Mar. - „	- ditto - ditto - -	8,738 10 –	35,896 10 5	
April - 1855	Extra Receipts, Navy - -	2,387 16 11	5,364 14 3	
May - „	- ditto - ditto - -	1,658 5 6	239 16 6	
June - „	- ditto - ditto - -	794 – 1	1,775 19 4	
July - „	- ditto - ditto - -	704 10 10	193 11 3	
Aug. - „	- ditto - ditto - -	4,375 7 1	198 12 5	
Sept. - „	- ditto - ditto - -	197 17 3	5,366 5 10	
Oct. - „	- ditto - ditto - -	1,177 8 3	322 13 2	
Nov. - „	- ditto - ditto - -	877 6 9	11,943 13 10	
Dec. - „	- ditto - ditto - -	1,312 3 3	27,054 2 10	
Jan. - 1856	- ditto - ditto - -	1,943 4 6	708 1 11	
Feb. - „	- ditto - ditto - -	1,710 3 1	137 12 –	
Mar. - „	- ditto - ditto - -	614 12 7	77 8 3	
April - 1855	Extra Receipts, Ordnance - -	447 10 –	—	
May - „	- ditto - ditto - -	2,848 11 9	26,849 15 8	
June - „	- ditto - ditto - -	306 19 3	60 5 –	
July - „	- ditto - ditto - -	937 12 8	137 9 –	
Aug. - „	- ditto - ditto - -	197 – 2	2,620 – –	
Sept. - „	- ditto - ditto - -	3,621 15 4	—	
Oct. - „	- ditto - ditto - -	147 3 9	96 1 9	
Nov. - „	- ditto - ditto - -	15,779 13 11	—	
Dec. - „	- ditto - ditto - -	3,082 5 2	—	
Jan. - 1856	- ditto - ditto - -	165 5 9	119 18 2	
Feb. - „	- ditto - ditto - -	638 15 11	89 – 5	
Mar. - „	- ditto - ditto - -	819 2 4	8,251 8 5	
3 Dec. 1855	Interest on Advances for rebuilding London Bridge.	6,000 – –	- - -	12 Mar. 1856
24 April „	London Bridge Approaches Fund	1,374 16 8	- - -	28 May 1855
17 May „	- ditto - - - - -	29,343 15 4	- - -	„ „
14 July „	- ditto - - - - -	1,362 13 4	- - -	24 Dec. „
13 Aug. „	- ditto - - - - -	34,840 2 1	- - -	15 Aug. „
16 Oct. „	- ditto - - - - -	1,362 13 4	- - -	24 Dec. „
1 Dec. „	- ditto - - - - -	33,041 10 6	- - -	„ „
15 Jan. 1856	- ditto - - - - -	1,362 13 4	- - -	12 Mar. 1856
27 Feb. „	- ditto - - - - -	34,536 11 6	- - -	„ „
19 July 1855	Glasgow and Carlisle Roads (Rents)	42 13 4	- - -	24 Dec. 1855
31 Jan. 1856	Metropolis Improvements (Rents)	- - -	450 14 1	12 Mar. 1856
31 „ „	Holyhead Roads (Interest) - -	- - -	265 7 6	„ „
31 Mar. „	- ditto - - - - -	- - -	35 18 10	18 June „
31 „ „	- ditto - - - - -	- - -	6 14 5	„ „
	£. 7,000,000 raised under the Act 18 & 19 Vict. c. 130; viz.			
	Exchequer Bills:			
21 Aug. 1855	Proceeds of £. 1,000,000 - -	1,002,500 – –	- - -	21 Aug. 1855
28 „ „	- ditto - 1,500,000 - -	1,503,750 – –	- - -	28 „ „
29 „ „	- ditto - 200,000 - -	200,500 – –	- - -	29 „ „
25 Oct. „	- ditto - 300,000 - -	301,625 – –	- - -	25 Oct. „
26 Dec. „	- ditto - 500,000 - -	505,937 10 –	- - -	26 Dec. „
9 Jan. 1856	- ditto - 500,000 - -	506,666 13 4	- - -	9 Jan. 1856
21 „ „	- ditto - 500,000 - -	507,291 13 4	- - -	21 „ „
29 „ „	- ditto - 500,000 - -	507,708 6 8	- - -	29 „ „
14 Feb. „	- ditto - 500,000 - -	508,541 13 4	- - -	14 Feb. „
16 „ „	- ditto - 500,000 - -	508,645 16 8	- - -	16 „ „
	Exchequer Bonds:			
2 Jan. „	Proceeds of £. 500,000 - -	491,511 19 8	- - -	2 Jan. „
21 „ „	- ditto - 500,000 - -	492,422 18 10	- - -	21 „ „

Appendix, No. 20.

Cash Receipts in 1855–6 Not Payable to Exchequer.

Date of Receipt.	SERVICES.		Amount. £.	s.	d.
11 April 1855	Canada Guaranteed Loan Sinking Fund	Under the Control of the Treasury.	6,768	18	9
13 Oct. „	ditto	ditto	6,882	10	11
31 May „	County Courts Fund	ditto	1,000	–	–
20 June „	ditto	ditto	1,000	–	–
28 „ „	ditto	ditto	1,500	–	–
8 Aug. „	ditto	ditto	2,000	–	–
31 „ „	ditto	ditto	1,000	–	–
1 Oct. „	ditto	ditto	2,500	–	–
10 Nov. „	ditto	ditto	500	–	–
6 Dec. „	ditto	ditto	500	–	–
26 „ „	ditto	ditto	500	–	–
24 April „	Effects of deceased British Subjects	ditto	216	19	8
5 May „	ditto	ditto	5	–	3
31 „ „	ditto	ditto	6	8	4
31 July „	ditto	ditto	60	18	11
29 Aug. „	ditto	ditto	70	5	–
7 Sept. „	ditto	ditto	28	2	8
13 Oct. „	ditto	ditto	48	8	11
5 Nov. „	ditto	ditto	281	1	1
14 „ „	ditto	ditto	2	18	8
7 Jan. 1856	ditto	ditto	130	12	3
5 Feb. „	ditto	ditto	35	8	4
10 Mar. „	ditto	ditto	55	11	–
17 „ „	ditto	ditto	179	16	5
12 June 1855	French Claims	ditto	43	5	3
9 July „	Highland Education	ditto	369	19	11
9 Jan. 1856	ditto	ditto	369	19	11
11 April 1855	Irish Reproductive Loan Fund	ditto	112	19	5
6 June „	ditto	ditto	6	19	11
13 Oct. „	ditto	ditto	119	19	4
18 Mar. 1856	ditto	ditto	543	18	–
13 Aug. „	Pensions of Knights of Malta	Colony	450	–	–
30 June 1855	Persian Embassy, defrayed by the East India Company.		3,000	–	–
29 Sept. „	ditto		3,000	–	–
22 Dec. „	ditto		3,000	–	–
31 Mar. 1856	ditto		3,000	–	–
11 May 1855	Metropolis Improvements: General Account.	Commissioners of Works	368	–	2
12 June „	ditto	ditto	416	18	10
14 July „	ditto	ditto	1,139	8	1
10 Aug. „	ditto	ditto	561	5	5
12 Sept. „	ditto	ditto	9	8	3
10 Oct. „	ditto	ditto	14	19	11
7 Nov. „	ditto	ditto	489	11	1
5 Dec. „	ditto	ditto	122	7	4
3 Jan. 1856	ditto	ditto	129	12	5
24 „ „	ditto	ditto	200	–	–
31 „ „	ditto	ditto	57	17	9
8 Feb. „	ditto	ditto	108	14	5
11 Mar. „	ditto	ditto	53	16	4
31 „ „	ditto	ditto	2,385	8	9
11 May 1855	Metropolis Improvements: Spitalfields Extension.	ditto	43	15	11
12 June „	ditto	ditto	3,753	12	9
14 July „	ditto	ditto	–	5	–
5 Sept. „	ditto	ditto	100	–	–
8 „ „	ditto	ditto	231	8	–
27 Oct. „	ditto	ditto	94	–	2
3 Jan. 1856	ditto	ditto	32	1	3
8 Feb. „	ditto	ditto	112	14	3
11 Mar. „	ditto	ditto	23	6	7
25 April 1855	Menai and Conway Bridges: Tolls	ditto	197	14	4
8 June „	ditto	ditto	24	15	1
12 „ „	ditto	ditto	122	8	4
26 „ „	ditto	ditto	144	13	8
30 „ „	ditto	ditto	238	10	3
30 July „	ditto	ditto	211	10	7
23 Aug. „	ditto	ditto	201	11	5

Date of Receipt.	SERVICES.		Amount.
			£. s. d.
20 Sept. 1855	Menai and Conway Bridges: Tolls -	Commissioners of Works	242 17 11
26 Oct. „	- - ditto - - - - - -	- - ditto - - -	266 14 1
22 Nov. „	- - ditto - - - - - -	- - ditto - - -	175 7 11
5 Dec. „	- - ditto - - - - - -	- - ditto - - -	121 6 7
22 „ „	- - ditto - - - - - -	- - ditto - - -	151 1 10
28 Jan. 1856	- - ditto - - - - - -	- - ditto - - -	134 19 5
18 Feb. „	- - ditto - - - - - -	- - ditto - - -	99 2 2
20 Mar. „	- - ditto - - - - - -	- - ditto - - -	108 15 4
18 July 1855	Loans, &c., Shrewsbury and Holyhead Roads.	- - ditto - - -	550 15 10
9 Oct. „	- - ditto - - - - - -	- - ditto - - -	210 15 –
3 Nov. „	- - ditto - - - - - -	- - ditto - - -	200 – –
7 „ „	- - ditto - - - - - -	- - ditto - - -	100 – –
5 Dec. „	- - ditto - - - - - -	- - ditto - - -	97 6 1
3 Jan. 1856	- - ditto - - - - - -	- - ditto - - -	474 8 10
15 Feb. „	- - ditto - - - - - -	- - ditto - - -	6 14 5
27 Mar. „	- - ditto - - - - - -	- - ditto - - -	43 – 4
26 June 1855	- - ditto - - - - - -	- - ditto - - -	93 16 9
5 April „	Miscellaneous Works Accounts - -	- - ditto - - -	6,000 – –
7 „ „	- - ditto - - - - - -	- - ditto - - -	10 – –
10 „ „	- - ditto - - - - - -	- - ditto - - -	15 8 5
30 „ „	- - ditto - - - - - -	- - ditto - - -	124 7 –
30 „ „	- - ditto - - - - - -	- - ditto - - -	355 9 5
11 May „	- - ditto - - - - - -	- - ditto - - -	18 – 3
7 June „	- - ditto - - - - - -	- - ditto - - -	95 18 8
12 „ „	- - ditto - - - - - -	- - ditto - - -	29 14 9
9 July „	- - ditto - - - - - -	- - ditto - - -	61 8 11
17 „ „	- - ditto - - - - - -	- - ditto - - -	3 5 10
23 „ „	- - ditto - - - - - -	- - ditto - - -	5,820 16 9
31 „ „	- - ditto - - - - - -	- - ditto - - -	297 12 1
31 „ „	- - ditto - - - - - -	- - ditto - - -	252 4 4
31 „ „	- - ditto - - - - - -	- - ditto - - -	750 – –
10 Aug. „	- - ditto - - - - - -	- - ditto - - -	20 18 10
12 Sept. „	- - ditto - - - - - -	- - ditto - - -	14 17 4
13 Oct. „	- - ditto - - - - - -	- - ditto - - -	15 8 5
31 „ „	- - ditto - - - - - -	- - ditto - - -	8,077 7 6
9 Nov. „	- - ditto - - - - - -	- - ditto - - -	315 – –
30 „ „	- - ditto - - - - - -	- - ditto - - -	825 19 –
17 Dec. „	- - ditto - - - - - -	- - ditto - - -	3,569 14 3
31 „ „	- - ditto - - - - - -	- - ditto - - -	1,168 4 6
9 Jan. 1856	- - ditto - - - - - -	- - ditto - - -	61 8 11
18 „ „	- - ditto - - - - - -	- - ditto - - -	1,435 – 7
31 „ „	- - ditto - - - - - -	- - ditto - - -	127 6 –
8 Feb. „	- - ditto - - - - - -	- - ditto - - -	43 17 3
26 „ „	- - ditto - - - - - -	- - ditto - - -	177 1 10
3 Mar. „	- - ditto - - - - - -	- - ditto - - -	69 15 10
14 „ „	- - ditto - - - - - -	- - ditto - - -	3,860 18 1
24 „ „	- - ditto - - - - - -	- - ditto - - -	248 2 11
26 „ „	- - ditto - - - - - -	- - ditto - - -	200 – –
31 „ „	- - ditto - - - - - -	- - ditto - - -	3,440 12 9
18 Jan. „	New Inland Revenue Office - -	- - ditto - - -	30,000 – –
4 April 1855	Brompton Cemetery - - -	- - ditto - - -	192 5 5
3 May „	- - ditto - - - - - -	- - ditto - - -	755 8 6
5 June „	- - ditto - - - - - -	- - ditto - - -	658 9 –
5 July „	- - ditto - - - - - -	- - ditto - - -	590 16 6
4 Aug. „	- - ditto - - - - - -	- - ditto - - -	610 2 9
6 Sept. „	- - ditto - - - - - -	- - ditto - - -	565 11 6
4 Oct. „	- - ditto - - - - - -	- - ditto - - -	378 9 10
5 Nov. „	- - ditto - - - - - -	- - ditto - - -	500 6 –
5 Dec. „	- - ditto - - - - - -	- - ditto - - -	568 4 –
5 Jan. 1856	- - ditto - - - - - -	- - ditto - - -	645 13 8
6 Feb. „	- - ditto - - - - - -	- - ditto - - -	665 14 6
5 Mar. „	- - ditto - - - - - -	- - ditto - - -	535 7 6
11 „ „	- - ditto - - - - - -	- - ditto - - -	1 17 6
11 May 1855	Pimlico Improvements - -	- - ditto - - -	9 9 11
30 June „	- - ditto - - - - - -	- - ditto - - -	2,260 – 1
14 July „	- - ditto - - - - - -	- - ditto - - -	35 9 3
17 „ „	- - ditto - - - - - -	- - ditto - - -	182 17 5
10 Aug. „	- - ditto - - - - - -	- - ditto - - -	46 17 5
10 Oct. „	- - ditto - - - - - -	- - ditto - - -	96 11 1
7 Nov. „	- - ditto - - - - - -	- - ditto - - -	28 4 10
3 Dec. „	- - ditto - - - - - -	- - ditto - - -	64 18 11
5 „ „	- - ditto - - - - - -	- - ditto - - -	23 18 1
3 Jan. 1856	- - ditto - - - - - -	- - ditto - - -	10 18 8

(*continued*)

Appendix, No. 20.

Date of Receipt.	SERVICES.		Amount.		
			£.	s.	d.
8 Feb. 1856	Pimlico Improvements	Commissioners of Works	128	16	8
11 Mar. „	ditto	ditto	82	18	7
18 „ „	ditto	ditto	1,094	–	–
31 „ „	ditto	ditto	42	19	10
12 June 1855	Southwark Improvements	ditto	619	4	–
18 Mar. 1856	ditto	ditto	2,196	14	–
18 April 1855	Westminster New Bridge	ditto	9,012	10	–
5 June „	ditto	ditto	228	6	9
7 „ „	ditto	ditto	5,726	–	–
29 „ „	ditto	ditto	17,480	–	–
30 „ „	ditto	ditto	5,424	–	–
11 July „	ditto	ditto	147	8	2
12 „ „	ditto	ditto	30	2	4
14 „ „	ditto	ditto	5	19	11
17 „ „	ditto	ditto	3,862	–	–
25 „ „	ditto	ditto	800	–	–
30 „ „	ditto	ditto	510	–	–
4 Aug. „	ditto	ditto	259	1	–
11 „ „	ditto	ditto	1,872	–	–
14 „ „	ditto	ditto	1,144	–	–
18 „ „	ditto	ditto	700	–	–
23 „ „	ditto	ditto	904	–	–
28 „ „	ditto	ditto	2,040	–	–
31 „ „	ditto	ditto	3,376	–	–
3 Sept. „	ditto	ditto	293	17	10
10 „ „	ditto	ditto	2,798	–	–
13 „ „	ditto	ditto	1,546	–	–
10 Oct. „	ditto	ditto	454	18	8
11 „ „	ditto	ditto	480	–	–
23 „ „	ditto	ditto	1,008	–	–
30 „ „	ditto	ditto	936	–	–
31 „ „	ditto	ditto	1,000	–	–
1 Nov. „	ditto	ditto	5,725	11	9
5 „ „	ditto	ditto	26	1	10
16 „ „	ditto	ditto	17	3	10
22 „ „	ditto	ditto	2	6	7
6 Dec. „	ditto	ditto	562	13	10
15 „ „	ditto	ditto	29	11	8
9 Jan. 1856	ditto	ditto	147	8	2
24 „ „	ditto	ditto	141	18	8
7 Feb. „	ditto	ditto	434	7	5
1 Mar. „	ditto	ditto	1,173	7	3
11 „ „	ditto	ditto	426	–	–
10 April 1855	Fee Fund of the Superior Courts of Law	Treasury	467	18	6
11 „ „	ditto	ditto	365	18	8
13 „ „	ditto	ditto	281	13	2
14 „ „	ditt	ditto	844	10	9
16 „ „	ditto	ditto	409	9	6
18 „ „	ditto	ditto	745	4	1
19 „ „	ditto	ditto	403	2	–
23 „ „	ditt	ditto	52	3	6
24 „ „	ditto	ditto	280	12	5
25 „ „	ditto	ditto	116	10	6
5 May „	ditto	ditto	632	3	9
14 „ „	ditto	ditto	820	9	8
16 „ „	ditto	ditto	3,786	5	8
24 „ „	ditto	ditto	2,939	4	4
5 June „	ditto	ditto	67	7	6
6 „ „	ditto	ditto	86	8	10
7 „ „	ditto	ditto	126	13	2
8 „ „	ditto	ditto	1,672	9	3
9 „ „	ditto	ditto	1,123	12	7
12 „ „	ditto	ditto	1,240	1	6
27 „ „	ditto	ditto	164	11	6
13 July „	ditto	ditto	258	18	8
14 „ „	ditto	ditto	143	18	6
4 Aug. „	ditto	ditto	450	–	–
15 „ „	ditto	ditto	3,950	8	2
3 Sept. „	ditto	ditto	2,766	–	5
22 „ „	ditto	ditto	340	13	–
28 „ „	ditto	ditto	237	2	4
4 Oct. „	ditto	ditto	896	10	3
9 „ „	ditto	ditto	314	4	4

Appendix, No. 20.

Date of Receipt.	SERVICES.		Amount. £. s. d.
19 Oct. 1855	Fee Fund of the Superior Courts of Law	Treasury	757 15 10
20 „ „	ditto	ditto	420 19 –
25 „ „	ditto	ditto	372 3 3
26 „ „	ditto	ditto	854 13 4
27 „ „	ditto	ditto	272 16 10
30 „ „	ditto	ditto	279 1 5
15 Nov. „	ditto	ditto	127 – 10
1 Dec. „	ditto	ditto	119 17 7
20 „ „	ditto	ditto	2,180 5 –
21 „ „	ditto	ditto	685 10 –
22 „ „	ditto	ditto	1,615 – –
24 „ „	ditto	ditto	152 17 6
1 Jan. 1856	ditto	ditto	94 2 11
2 „ „	ditto	ditto	45 4 6
5 „ „	ditto	ditto	171 13 –
11 „ „	ditto	ditto	1,418 16 2
12 „ „	ditto	ditto	49 6 8
15 „ „	ditto	ditto	26 4 2
25 „ „	ditto	ditto	93 2 9
7 Feb. „	ditto	ditto	375 14 11
27 „ „	ditto	ditto	3,601 6 11
23 Aug. 1855	General Board of Health (Ordnance Surveys).	ditto	335 12 6
28 „ „	ditto	ditto	330 14 6
8 Sept. „	ditto	ditto	63 1 11
31 Oct. „	ditto	ditto	623 15 7
22 Nov. „	ditto	ditto	705 12 11
19 Dec. „	ditto	ditto	496 10 5
4 Jan. 1856	ditto	ditto	197 18 3
12 „ „	ditto	ditto	151 12 6
25 „ „	ditto	ditto	397 13 9
6 Feb. „	ditto	ditto	593 3 7
27 Mar. „	ditto	ditto	440 10 10
3 April 1855	Crown's Nominee Account	ditto	84 5 7
12 „ „	ditto	ditto	171 19 9
13 „ „	ditto	ditto	50 17 10
14 „ „	ditto	ditto	423 16 3
16 „ „	ditto	ditto	200 – –
20 „ „	ditto	ditto	2,329 15 2
26 „ „	ditto	ditto	110 9 9
30 „ „	ditto	ditto	75 13 8
3 May „	ditto	ditto	201 10 4
5 „ „	ditto	ditto	80 2 8
8 „ „	ditto	ditto	378 14 –
9 „ „	ditto	ditto	460 – 7
15 „ „	ditto	ditto	199 3 5
22 „ „	ditto	ditto	227 3 3
25 May „	ditto	ditto	17 19 11
4 June „	ditto	ditto	53 19 10
8 „ „	ditto	ditto	72 9 10
16 „ „	ditto	ditto	700 – –
18 „ „	ditto	ditto	5 2 8
28 „ „	ditto	ditto	42 16 11
30 „ „	ditto	ditto	238 13 2
2 July „	ditto	ditto	160 – 4
17 „ „	ditto	ditto	14 4 6
19 „ „	ditto	ditto	147 11 7
23 „ „	ditto	ditto	32 14 –
25 „ „	ditto	ditto	826 11 3
28 „ „	ditto	ditto	145 19 5
31 „ „	ditto	ditto	46 1 3
23 Aug. „	ditto	ditto	2,276 14 –
31 „ „	ditto	ditto	9 19 9
5 Sept. „	ditto	ditto	61 9 3
13 Oct. „	ditto	ditto	608 16 11
26 „ „	ditto	ditto	395 8 9
10 Nov. „	ditto	ditto	9,660 8 9
26 Dec. „	ditto	ditto	54,218 – –
27 „ „	ditto	ditto	273 1 4
31 „ „	ditto	ditto	2,225 11 11
1 Jan. 1856	ditto	ditto	88 5 1
18 „ „	ditto	ditto	1,053 12 2
19 „ „	ditto	ditto	666 9 2
21 „ „	ditto	ditto	361 6 3

(continued)

Appendix, No. 20.

Date of Receipt.	SERVICES.		Amount.		
			£.	s.	d.
30 Jan. 1856	Crown's Nominee Account - -	Treasury - - -	2	2	–
8 Feb. „	- - ditto - - - - - -	- ditto - - -	459	15	1
9 „ „	- - ditto - - - - - -	- ditto - - -	250	7	8
15 „ „	- - ditto - - - - - -	- ditto - - -	50	–	–
19 „ „	- - ditto - - - - - -	- ditto - - -	160	12	3
23 „ „	- - ditto - - - - - -	- ditto - - -	3,863	17	6
29 „ „	- - ditto - - - - - -	- ditto - - -	2,052	–	10
4 Mar. „	- - ditto - - - - - -	- ditto - - -	1,168	16	–
10 „ „	- - ditto - - - - - -	- ditto - - -	226	1	8
11 „ „	- - ditto - - - - - -	- ditto - - -	667	4	10
15 „ „	- - ditto - - - - - -	- ditto - - -	92	18	3
4 April 1855	Wages and Effects of Deceased Merchant Seamen.	Board of Trade - -	2	16	6
13 „ „	- - ditto - - - - - -	- ditto - - -	50	–	–
21 „ „	- - ditto - - - - - -	- ditto - - -	18	10	5
24 „ „	- - ditto - - - - - -	- ditto - - -	162	18	10
25 „ „	- - ditto - - - - - -	- ditto - - -	20	16	3
30 „ „	- - ditto - - - - - -	- ditto - - -	1,191	14	6
4 May „	- - ditto - - - - - -	- ditto - - -	97	16	3
7 „ „	- - ditto - - - - - -	- ditto - - -	–	18	–
9 „ „	- - ditto - - - - - -	- ditto - - -	22	18	2
10 „ „	- - ditto - - - - - -	- ditto - - -	15	12	10
12 „ „	- - ditto - - - - - -	- ditto - - -	34	11	6
28 „ „	- - ditto - - - - - -	- ditto - - -	17	18	–
31 „ „	- - ditto - - - - - -	- ditto - - -	102	18	9
1 June „	- - ditto - - - - - -	- ditto - - -	9	15	–
11 „ „	- - ditto - - - - - -	- ditto - - -	1	5	1
12 „ „	- - ditto - - - - - -	- ditto - - -	18	10	3
23 „ „	- - ditto - - - - - -	- ditto - - -	62	8	10
26 „ „	- - ditto - - - - - -	- ditto - - -	16	6	9
12 July „	- - ditto - - - - - -	- ditto - - -	6	5	10
13 „ „	- - ditto - - - - - -	- ditto - - -	25	18	–
14 „ „	- - ditto - - - - - -	- ditto - - -	3	4	11
28 „ „	- - ditto - - - - - -	- ditto - - -	31	13	11
18 Aug. „	- - ditto - - - - - -	- ditto - - -	2	14	4
27 „ „	- - ditto - - - - - -	- ditto - - -	6	12	10
31 „ „	- - ditto - - - - - -	- ditto - - -	81	15	2
18 Sept. „	- - ditto - - - - - -	- ditto - - -	13	5	6
27 „ „	- - ditto - - - - - -	- ditto - - -	18	1	6
4 Oct. „	- - ditto - - - - - -	- ditto - - -	2	11	6
12 „ „	- - ditto - - - - - -	- ditto - - -	22	19	11
19 „ „	- - ditto - - - - - -	- ditto - - -	10	9	6
25 „ „	- - ditto - - - - - -	- ditto - - -	41	18	–
31 „ „	- - ditto - - - - - -	- ditto - - -	31	7	1
8 Nov. „	- - ditto - - - - - -	- ditto - - -	119	19	10
22 „ „	- - ditto - - - - - -	- ditto - - -	140	8	5
30 „ „	- - ditto - - - - - -	- ditto - - -	49	11	10
19 Dec. „	- - ditto - - - - - -	- ditto - - -	4	4	5
26 „ „	- - ditto - - - - - -	- ditto - - -	15	1	8
31 „ „	- - ditto - - - - - -	- ditto - - -	6,153	18	1
1 Jan. 1856	- - ditto - - - - - -	- ditto - - -	39	5	7
10 „ „	- - ditto - - - - - -	- ditto - - -	13	14	2
12 „ „	- - ditto - - - - - -	- ditto - - -	233	12	–
14 „ „	- - ditto - - - - - -	- ditto - - -	85	12	9
29 „ „	- - ditto - - - - - -	- ditto - - -	–	15	–
31 „ „	- - ditto - - - - - -	- ditto - - -	121	7	5
1 Feb. „	- - ditto - - - - - -	- ditto - - -	62	4	9
21 „ „	- - ditto - - - - - -	- ditto - - -	22	9	2
25 „ „	- - ditto - - - - - -	- ditto - - -	22	13	7
4 Mar. „	- - ditto - - - - - -	- ditto - - -	32	1	9
13 „ „	- - ditto - - - - - -	- ditto - - -	177	10	–
18 „ „	- - ditto - - - - - -	- ditto - - -	–	–	6
29 „ „	- - ditto - - - - - -	- ditto - - -	3	12	–
31 „ „	- - ditto - - - - - -	- ditto - - -	20	5	2
4 June 1855	Suspense Accounts: Jersey Domain -	Treasury - - -	366	–	9
5 „ „	- - ditto - - - - ditto - -	- ditto - - -	33	19	3
15 „ „	- - ditto - - Patents of Invention.	- ditto - - -	26	–	6
11 Jan. 1856	Suspense Accounts; St. Catherine's Harbour.	- ditto - - -	380	17	6
9 July 1855	Sales of Crown Lands, Bermuda -	- - - - -	16	5	3
31 Dec. „	- - ditto - - - - - -	- - - - -	–	13	1
9 Jan. 1856	- - ditto - - - - - -	- - - - -	16	5	3

Date of Receipt.	SERVICES.		Amount.		
			£.	s.	d.
4 April 1855	Mercantile Marine Fund - - -	Board of Trade - -	650	–	–
7 „ „	- - ditto - - - - - -	- ditto - - -	1,051	15	2
9 „ „	- - ditto - - - - - -	- ditto - - -	1,399	17	6
10 „ „	- - ditto - - - - - -	- ditto - - -	16	18	3
11 „ „	- - ditto - - - - - -	- ditto - - -	442	–	9
12 „ „	- - ditto - - - - - -	- ditto - - -	139	–	3
13 „ „	- - ditto - - - - - -	- ditto - - -	98	16	6
14 „ „	- - ditto - - - - - -	- ditto - - -	29	15	2
16 „ „	- - ditto - - - - - -	- ditto - - -	30	–	–
17 „ „	- - ditto - - - - - -	- ditto - - -	34	10	4
18 „ „	- - ditto - - - - - -	- ditto - - -	33	8	6
19 „ „	- - ditto - - - - - -	- ditto - - -	20	–	–
20 „ „	- - ditto - - - - - -	- ditto - - -	27	–	4
21 „ „	- - ditto - - - - - -	- ditto - - -	76	12	5
23 „ „	- - ditto - - - - - -	- ditto - - -	3,000	–	–
26 „ „	- - ditto - - - - - -	- ditto - - -	57	5	2
27 „ „	- - ditto - - - - - -	- ditto - - -	54	8	2
28 „ „	- - ditto - - - - - -	- ditto - - -	10,030	–	–
1 May „	- - ditto - - - - - -	- ditto - - -	405	19	1
4 „ „	- - ditto - - - - - -	- ditto - - -	1,800	–	–
5 „ „	- - ditto - - - - - -	- ditto - - -	145	–	–
7 „ „	- - ditto - - - - - -	- ditto - - -	968	18	10
8 „ „	- - ditto - - - - - -	- ditto - - -	530	–	–
11 „ „	- - ditto - - - - - -	- ditto - - -	315	16	6
12 „ „	- - ditto - - - - - -	- ditto - - -	10,000	–	–
14 „ „	- - ditto - - - - - -	- ditto - - -	50	–	–
18 „ „	- - ditto - - - - - -	- ditto - - -	1,720	–	–
23 „ „	- - ditto - - - - - -	- ditto - - -	200	–	–
25 „ „	- - ditto - - - - - -	- ditto - - -	100	–	–
31 „ „	- - ditto - - - - - -	- ditto - - -	109	12	1
1 June „	- - ditto - - - - - -	- ditto - - -	10,000	–	–
5 „ „	- - ditto - - - - - -	- ditto - - -	280	–	–
7 „ „	- - ditto - - - - - -	- ditto - - -	110	–	–
8 „ „	- - ditto - - - - - -	- ditto - - -	5,302	3	10
9 „ „	- - ditto - - - - - -	- ditto - - -	600	–	–
12 „ „	- - ditto - - - - - -	- ditto - - -	1,283	6	4
15 „ „	- - ditto - - - - - -	- ditto - - -	2,000	–	–
16 „ „	- - ditto - - - - - -	- ditto - - -	10,100	–	–
18 „ „	- - ditto - - - - - -	- ditto - - -	1,500	–	–
20 „ „	- - ditto - - - - - -	- ditto - - -	1,000	–	–
22 „ „	- - ditto - - - - - -	- ditto - - -	2,020	–	–
23 „ „	- - ditto - - - - - -	- ditto - - -	250	–	–
25 „ „	- - ditto - - - - - -	- ditto - - -	1,000	–	–
26 „ „	- - ditto - - - - - -	- ditto - - -	3,000	–	–
27 „ „	- - ditto - - - - - -	- ditto - - -	250	–	–
28 „ „	- - ditto - - - - - -	- ditto - - -	1,500	–	–
29 „ „	- - ditto - - - - - -	- ditto - - -	18,456	3	1
30 „ „	- - ditto - - - - - -	- ditto - - -	1,050	–	–
1 July „	- - ditto - - - - - -	- ditto - - -			
2 „ „	- - ditto - - - - - -	- ditto - - -	1,982	14	3
3 „ „	- - ditto - - - - - -	- ditto - - -	565	–	–
6 „ „	- - ditto - - - - - -	- ditto - - -	11,378	18	3
7 „ „	- - ditto - - - - - -	- ditto - - -	588	6	2
9 „ „	- - ditto - - - - - -	- ditto - - -	23	15	5
11 „ „	- - ditto - - - - - -	- ditto - - -	100	–	–
12 „ „	- - ditto - - - - - -	- ditto - - -	158	–	–
13 „ „	- - ditto - - - - - -	- ditto - - -	8,089	7	4
14 „ „	- - ditto - - - - - -	- ditto - - -	125	18	11
16 „ „	- - ditto - - - - - -	- ditto - - -	2,000	–	–
17 „ „	- - ditto - - - - - -	- ditto - - -	1,000	–	–
19 „ „	- - ditto - - - - - -	- ditto - - -	135	–	–
20 „ „	- - ditto - - - - - -	- ditto - - -	11,000	–	–
21 „ „	- - ditto - - - - - -	- ditto - - -	317	12	2
23 „ „	- - ditto - - - - - -	- ditto - - -	1,000	–	–
24 „ „	- - ditto - - - - - -	- ditto - - -	55	–	–
27 „ „	- - ditto - - - - - -	- ditto - - -	40	–	–
31 „ „	- - ditto - - - - - -	- ditto - - -	59	16	8
2 Aug. „	- - ditto - - - - - -	- ditto - - -	1,013	9	1
3 „ „	- - ditto - - - - - -	- ditto - - -	10,038	9	1
6 „ „	- - ditto - - - - - -	- ditto - - -	2,355	19	8
7 „ „	- - ditto - - - - - -	- ditto - - -	1,689	1	6
8 „ „	- - ditto - - - - - -	- ditto - - -	740	–	–
9 „ „	- - ditto - - - - - -	- ditto - - -	662	4	11
10 „ „	- - ditto - - - - - -	- ditto - - -	12,396	19	3

(*continued*)

Appendix, No. 20.

Date of Receipt.	SERVICES.		Amount.		
			£.	s.	d.
11 Aug. 1855	Mercantile Marine Fund - - -	Board of Trade - -	160	–	–
13 „ „	- - ditto - - - - - -	- ditto - - -	140	–	–
15 „ „	- - ditto - - - - - -	- ditto - - -	1,500	–	–
16 „ „	- - ditto - - - - - -	- ditto - - -	100	–	–
17 „ „	- - ditto - - - - - -	- ditto - - -	1,500	–	–
18 „ „	- - ditto - - - - - -	- ditto - - -	214	–	–
20 „ „	- - ditto - - - - - -	- ditto - - -	100	–	–
23 „ „	- - ditto - - - - - -	- ditto - - -	500	–	–
24 „ „	- - ditto - - - - - -	- ditto - - -	330	–	–
25 „ „	- - ditto - - - - - -	- ditto - - -	11,950	–	–
28 „ „	- - ditto - - - - - -	- ditto - - -	1,000	–	–
29 „ „	- - ditto - - - - - -	- ditto - - -	6	2	11
30 „ „	- - ditto - - - - - -	- ditto - - -	10	–	–
31 „ „	- - ditto - - - - - -	- ditto - - -	947	–	–
1 Sept. „	- - ditto - - - - - -	- ditto - - -	1,050	–	–
3 „ „	- - ditto - - - - - -	- ditto - - -	250	18	–
5 „ „	- - ditto - - - - - -	- ditto - - -	300	–	–
6 „ „	- - ditto - - - - - -	- ditto - - -	1,837	19	3
7 „ „	- - ditto - - - - - -	- ditto - - -	12,400	–	–
8 „ „	- - ditto - - - - - -	- ditto - - -	175	–	–
14 „ „	- - ditto - - - - - -	- ditto - - -	100	–	–
15 „ „	- - ditto - - - - - -	- ditto - - -	185	–	–
17 „ „	- - ditto - - - - - -	- ditto - - -	250	–	–
19 „ „	- - ditto - - - - - -	- ditto - - -	400	–	–
20 „ „	- - ditto - - - - - -	- ditto - - -	646	–	–
21 „ „	- - ditto - - - - - -	- ditto - - -	11,969	15	7
24 „ „	- - ditto - - - - - -	- ditto - - -	2,598	4	9
25 „ „	- - ditto - - - - - -	- ditto - - -	30	–	–
28 „ „	- - ditto - - - - - -	- ditto - - -	13,270	–	–
29 „ „	- - ditto - - - - - -	- ditto - - -	390	–	–
4 Oct. „	- - ditto - - - - - -	- ditto - - -	138	–	–
5 „ „	- - ditto - - - - - -	- ditto - - -	10,686	12	11
6 „ „	- - ditto - - - - - -	- ditto - - -	301	10	8
8 „ „	- - ditto - - - - - -	- ditto - - -	3,018	7	10
9 „ „	- - ditto - - - - - -	- ditto - - -	726	14	3
10 „ „	- - ditto - - - - - -	- ditto - - -	83	15	–
12 „ „	- - ditto - - - - - -	- ditto - - -	1,219	7	1
13 „ „	- - ditto - - - - - -	- ditto - - -	2,372	–	–
15 „ „	- - ditto - - - - - -	- ditto - - -	50	–	–
16 „ „	- - ditto - - - - - -	- ditto - - -	1,500	–	–
17 „ „	- - ditto - - - - - -	- ditto - - -	150	–	–
18 „ „	- - ditto - - - - - -	- ditto - - -	152	13	5
19 „ „	- - ditto - - - - - -	- ditto - - -	13,500	–	–
20 „ „	- - ditto - - - - - -	- ditto - - -	270	–	–
22 „ „	- - ditto - - - - - -	- ditto - - -	270	–	–
23 „ „	- - ditto - - - - - -	- ditto - - -	200	–	–
24 „ „	- - ditto - - - - - -	- ditto - - -	260	2	6
25 „ „	- - ditto - - - - - -	- ditto - - -	800	–	–
27 „ „	- - ditto - - - - - -	- ditto - - -	240	–	–
2 Nov. „	- - ditto - - - - - -	- ditto - - -	11,963	–	–
3 „ „	- - ditto - - - - - -	- ditto - - -	768	8	3
6 „ „	- - ditto - - - - - -	- ditto - - -	1,650	–	–
7 „ „	- - ditto - - - - - -	- ditto - - -	830	–	–
8 „ „	- - ditto - - - - - -	- ditto - - -	270	6	6
9 „ „	- - ditto - - - - - -	- ditto - - -	120	–	–
10 „ „	- - ditto - - - - - -	- ditto - - -	11,700	–	–
13 „ „	- - ditto - - - - - -	- ditto - - -	100	–	–
14 „ „	- - ditto - - - - - -	- ditto - - -	300	–	–
15 „ „	- - ditto - - - - - -	- ditto - - -	1,150	–	–
16 „ „	- - ditto - - - - - -	- ditto - - -	1,000	–	–
19 „ „	- - ditto - - - - - -	- ditto - - -	1,226	8	6
20 „ „	- - ditto - - - - - -	- ditto - - -	160	–	–
21 „ „	- - ditto - - - - - -	- ditto - - -	1,060	–	–
22 „ „	- - ditto - - - - - -	- ditto - - -	123	–	–
24 „ „	- - ditto - - - - - -	- ditto - - -	10,100	–	–
26 „ „	- - ditto - - - - - -	- ditto - - -	30	–	–
28 „ „	- - ditto - - - - - -	- ditto - - -	1,200	–	–
29 „ „	- - ditto - - - - - -	- ditto - - -	551	–	–
30 „ „	- - ditto - - - - - -	- ditto - - -	2,200	–	–
3 Dec. „	- - ditto - - - - - -	- ditto - - -	380	–	–
5 „ „	- - ditto - - - - - -	- ditto - - -	170	–	–
6 „ „	- - ditto - - - - - -	- ditto - - -	50	–	–
7 „ „	- - ditto - - - - - -	- ditto - - -	11,631	16	11
10 „ „	- - ditto - - - - - -	- ditto - - -	280	–	–

Date of Receipt.	SERVICES.		Amount.		
			£.	s.	d.
13 Dec. 1855	Mercantile Marine Fund - - -	Board of Trade - -	104	–	–
14 „ „	- - ditto - - - - -	- ditto - - -	1,512	–	–
15 „ „	- - ditto - - - - -	- ditto - - -	100	–	–
17 „ „	- - ditto - - - - -	- ditto - - -	1,592	–	–
18 „ „	- - ditto - - - - -	- ditto - - -	50	–	–
19 „ „	- - ditto - - - - -	- ditto - - -	750	–	–
20 „ „	- - ditto - - - - -	- ditto - - -	40	–	5
21 „ „	- - ditto - - - - -	- ditto - - -	12,150	–	–
22 „ „	- - ditto - - - - -	- ditto - - -	238	–	–
24 „ „	- - ditto - - - - -	- ditto - - -	2,000	11	4
27 „ „	- - ditto - - - - -	- ditto - - -	320	–	–
28 „ „	- - ditto - - - - -	- ditto - - -	880	–	–
29 „ „	- - ditto - - - - -	- ditto - - -	850	–	–
31 „ „	- - ditto - - - - -	- ditto - - -	1,925	–	–
1 Jan. 1856	- - ditto - - - - -	- ditto - - -	10,000	–	–
2 „ „	- - ditto - - - - -	- ditto - - -	72	3	5
3 „ „	- - ditto - - - - -	- ditto - - -	48	3	8
4 „ „	- - ditto - - - - -	- ditto - - -	922	9	7
5 „ „	- - ditto - - - - -	- ditto - - -	754	19	4
7 „ „	- - ditto - - - - -	- ditto - - -	108	5	5
8 „ „	- - ditto - - - - -	- ditto - - -	109	6	5
9 „ „	- - ditto - - - - -	- ditto - - -	299	8	5
10 „ „	- - ditto - - - - -	- ditto - - -	1,178	–	–
11 „ „	- - ditto - - - - -	- ditto - - -	450	–	–
12 „ „	- - ditto - - - - -	- ditto - - -	253	11	8
14 „ „	- - ditto - - - - -	- ditto - - -	100	–	–
15 „ „	- - ditto - - - - -	- ditto - - -	82	14	8
18 „ „	- - ditto - - - - -	- ditto - - -	12,200	–	–
19 „ „	- - ditto - - - - -	- ditto - - -	104	1	3
21 „ „	- - ditto - - - - -	- ditto - - -	705	2	11
22 „ „	- - ditto - - - - -	- ditto - - -	86	10	1
24 „ „	- - ditto - - - - -	- ditto - - -	400	–	–
25 „ „	- - ditto - - - - -	- ditto - - -	2,417	14	2
26 „ „	- - ditto - - - - -	- ditto - - -	490	–	–
28 „ „	- - ditto - - - - -	- ditto - - -	1,748	11	10
30 „ „	- - ditto - - - - -	- ditto - - -	750	–	–
1 Feb. „	- - ditto - - - - -	- ditto - - -	17,650	–	–
2 „ „	- - ditto - - - - -	- ditto - - -	3,468	16	6
4 „ „	- - ditto - - - - -	- ditto - - -	150	–	–
6 „ „	- - ditto - - - - -	- ditto - - -	500	–	–
7 „ „	- - ditto - - - - -	- ditto - - -	1,335	–	1
8 „ „	- - ditto - - - - -	- ditto - - -	75	2	6
9 „ „	- - ditto - - - - -	- ditto - - -	235	–	–
11 „ „	- - ditto - - - - -	- ditto - - -	100	–	–
12 „ „	- - ditto - - - - -	- ditto - - -	50	–	–
13 „ „	- - ditto - - - - -	- ditto - - -	1,400	–	–
15 „ „	- - ditto - - - - -	- ditto - - -	370	–	–
16 „ „	- - ditto - - - - -	- ditto - - -	10,140	–	–
18 „ „	- - ditto - - - - -	- ditto - - -	65	–	–
19 „ „	- - ditto - - - - -	- ditto - - -	70	–	–
20 „ „	- - ditto - - - - -	- ditto - - -	2,000	–	–
21 „ „	- - ditto - - - - -	- ditto - - -	250	–	–
22 „ „	- - ditto - - - - -	- ditto - - -	8,115	–	–
23 „ „	- - ditto - - - - -	- ditto - - -	150	–	–
25 „ „	- - ditto - - - - -	- ditto - - -	159	–	–
27 „ „	- - ditto - - - - -	- ditto - - -	830	–	–
28 „ „	- - ditto - - - - -	- ditto - - -	73	3	2
29 „ „	- - ditto - - - - -	- ditto - - -	498	7	6
1 Mar. „	- - ditto - - - - -	- ditto - - -	10,211	11	1
3 „ „	- - ditto - - - - -	- ditto - - -	35	–	–
4 „ „	- - ditto - - - - -	- ditto - - -	105	–	–
5 „ „	- - ditto - - - - -	- ditto - - -	207	14	3
6 „ „	- - ditto - - - - -	- ditto - - -	380	–	–
7 „ „	- - ditto - - - - -	- ditto - - -	2,370	–	–
10 „ „	- - ditto - - - - -	- ditto - - -	400	–	–
13 „ „	- - ditto - - - - -	- ditto - - -	100	–	–
14 „ „	- - ditto - - - - -	- ditto - - -	10,370	–	–
15 „ „	- - ditto - - - - -	- ditto - - -	149	–	–
17 „ „	- - ditto - - - - -	- ditto - - -	750	–	–
18 „ „	- - ditto - - - - -	- ditto - - -	2,532	12	10
19 „ „	- - ditto - - - - -	- ditto - - -	215	–	–
20 „ „	- - ditto - - - - -	- ditto - - -	500	–	–
22 „ „	- - ditto - - - - -	- ditto - - -	1,925	–	–
24 „ „	- - ditto - - - - -	- ditto - - -	348	–	–

(*continued*)

Appendix, No. 20.

Date of Receipt.	SERVICES.		Amount.		
			£.	s.	d.
25 Mar. 1856	Mercantile Marine Fund - - -	Board of Trade - -	231	–	–
26 „ „	- - ditto - - - - - -	- ditto - - -	540	–	–
28 „ „	- - ditto - - - - - -	- ditto - - -	9,990	7	11
29 „ „	- - ditto - - - - - -	- ditto - - -	370	–	–
14 April 1855	Registrar of Joint-Stock Companies (Fees).	- ditto - - -	501	19	4
23 May „	- - ditto - - - - - -	- ditto - - -	278	18	8
23 June „	- - ditto - - - - - -	- ditto - - -	321	18	2
20 July „	- - ditto - - - - - -	- ditto - - -	182	11	10
13 Aug. „	- - ditto - - - - - -	- ditto - - -	312	12	10
19 Sept. „	- - ditto - - - - - -	- ditto - - -	328	15	–
13 Oct. „	- - ditto - - - - - -	- ditto - - -	240	9	–
14 Nov. „	- - ditto - - - - - -	- ditto - - -	402	12	10
21 Dec. „	- - ditto - - - - - -	- ditto - - -	348	12	–
21 Jan. 1856	- - ditto - - - - - -	- ditto - - -	277	5	–
26 Feb. „	- - ditto - - - - - -	- ditto - - -	834	8	8
20 Mar. „	- - ditto - - - - - -	- ditto - - -	630	10	–
13 Sept. 1855	Admiralty Court Deposit Fund - -	Treasury - - -	6,000	–	–
5 Oct. „	- - ditto - - - - - -	- ditto - - -	10,000	–	–
21 Dec. „	- - ditto - - - - - -	- ditto - - -	2,000	–	–
31 „ „	- - ditto - - - - - -	- ditto - - -	2,000	–	–
6 Feb. 1856	Copyhold and Tithe Commission Deposit Account.	- ditto - - -	36,000	–	–
June - 1855	Army Prize - - - - -	Secretary-at-War -	191	11	3
July - „	- ditto - - - - - -	- - ditto - - -	799	8	16
Aug. - „	- ditto - - - - - -	- - ditto - - -	57	2	–
Jan. - 1856	- ditto - - - - - -	- - ditto - - -	856	10	10
April - 1855	Drouly Annuities - - - -	- - ditto - - -	166	1	1
Oct. - „	- - ditto - - - - - -	- - ditto - - -	166	1	1
July - „	Chelsea Property and Legacy Fund -	- - ditto - - -	111	18	3
Aug. - „	- - ditto - - - - - -	- - ditto - - -	171	11	–
Jan. - 1856	- - ditto - - - - - -	- - ditto - - -	111	18	3
Mar. - „	- - ditto - - - - - -	- - ditto - - -	53	16	2
April - 1855	Naval Prize - - - - -	Admiralty - - -	7,913	2	6
May - „	- ditto - - - - - -	- ditto - - -	8,516	6	9
June - „	- ditto - - - - - -	- ditto - - -	595	19	1
July - „	- ditto - - - - - -	- ditto - - -	2,781	7	11
Aug. - „	- ditto - - - - - -	- ditto - - -	1,629	4	6
Sept. - „	- ditto - - - - - -	- ditto - - -	2,809	18	7
Oct. - „	- ditto - - - - - -	- ditto - - -	329	13	8
Nov. - „	- ditto - - - - - -	- ditto - - -	5,778	14	9
Dec. - „	- ditto - - - - - -	- ditto - - -	8,193	16	4
Jan. - 1856	- ditto - - - - - -	- ditto - - -	10,893	16	4
Feb. - „	- ditto - - - - - -	- ditto - - -	1,630	–	–
Mar. - „	- ditto - - - - - -	- ditto - - -	2,059	–	5

Paymaster-General's Office,
July 1856.

Appendix, No. 21.

PAYMASTER-GENERAL'S BALANCES at the Close of each Day on all his Bank Accounts, in the Three Months ended 30 June 1838; also, Balances on the Accounts of the PAYMASTER-GENERAL OF THE FORCES and of the TREASURER OF THE NAVY on each Day of the corresponding Three Months of the Year 1836.

DATE.	Exchequer Credit Account.	Cash Account.	Drawing Account.	Bill Account.	TOTALS.	Naval Prize and other Appropriated Balances.	Balances in two of the Separate Offices. DATE.	Paymaster of the Forces.	Treasurer of the Navy.
1838:	£.	£.	£.	£.	£	£.	1836:	£.	£.
April 2	38,112	1,156	10,458	7,475	57,201	19,437	April 2	78,142	28,963
„ 3	58,062	1,159	19,005	4,124	82,350	19,437	„ 4	157,299	130,988
„ 4	25,062	2,122	1,530	3,425	32,139	21,355	„ 5	153,975	99,122
„ 5	58,062	2,471	9,231	4,352	74,116	22,855	„ 6	145,678	79,713
„ 6	243,118	2,487	4,323	3,981	253,909	22,855	„ 7	139,424	70,226
„ 7	198,118	153	5,697	5,711	209,679	22,855	„ 8	126,927	60,751
„ 9	77,118	248	3,548	92,340	173,254	22,855	„ 9	122,073	50,480
„ 10	50,118	668	6,479	10,262	67,527	22,855	„ 11	119,887	35,829
„ 11	8,118	1,595	2,179	12,290	24,182	22,855	„ 12	113,993	83,506
„ 12	4,118	1,783	5,789	27,755	39,445	22,855	„ 13	112,426	60,768
„ 14	16,118	1,957	3,586	7,288	28,949	22,855	„ 14	103,540	53,132
„ 16	15,118	2,137	12,259	7,351	36,865	22,855	„ 16	78,124	25,592
„ 17	25,118	2,178	3,782	18,411	49,489	22,855	„ 18	159,631	49,656
„ 18	20,118	2,631	3,614	3,778	30,141	22,855	„ 19	153,735	43,552
„ 19	36,021	9,947	2,288	2,662	50,918	22,855	„ 15	101,701	42,786
„ 20	41,021	10,010	6,924	15,106	73,061	22,855	„ 20	139,636	77,948
„ 21	28,021	510	5,734	6,068	40,333	22,855	„ 21	124,870	51,452
„ 23	8,021	852	7,970	18,471	35,314	22,855	„ 22	89,043	28,144
„ 24	10,021	856	8,336	17,979	37,192	22,855	„ 23	104,515	103,605
„ 25	12,021	959	7,162	16,123	36,265	22,855	„ 25	91,310	93,680
„ 26	9,021	1,460	7,687	12,986	31,154	22,855	„ 26	74,342	70,082
„ 27	5,000	1,493	4,598	24,912	36,003	22,855	„ 27	60,448	60,396
„ 28	3,000	622	5,151	15,552	24,325	22,855	„ 28	32,633	53,099
„ 30	3,000	932	7,956	23,609	35,497	21,916	„ 29	89,814	40,765
							„ 30	87,294	16,518
May 1	- -	6,796	9,430	19,968	36,194	21,916	May 2	73,442	43,492
„ 2	10,000	8,208	867	9,892	28,967	21,916	„ 3	62,301	34,603
„ 3	10,000	356	6,837	15,117	32,310	21,916	„ 4	46,571	20,267
„ 4	10,000	2,311	9,202	9,889	31,402	22,916	„ 5	13,867	76,790
„ 5	10,000	2,552	8,027	9,110	29,689	22,916	„ 6	65,895	65,954
„ 7	7,000	304	5,282	9,908	22,494	22,916	„ 7	55,253	57,366
„ 8	- -	481	3,755	13,260	17,496	22,916	„ 9	17,466	48,337
„ 9	10,000	481	10,469	6,259	27,209	22,916	„ 10	12,262	41,306
„ 10	20,000	1,243	5,712	11,659	38,614	22,916	„ 11	41,781	22,003
„ 11	5,000	1,547	7,206	18,986	32,739	22,916	„ 12	25,598	59,469
„ 12	9,000	597	3,558	15,020	28,175	22,916	„ 13	24,027	51,873
„ 14	- -	730	3,413	19,008	23,151	22,922	„ 14	158,036	49,005
„ 15	10,000	1,066	7,172	6,289	24,527	23,365	„ 16	170,031	44,788
„ 16	5,000	8,921	3,772	10,665	28,358	23,365	„ 17	166,508	37,242
„ 17	- -	9,021	9,760	7,177	25,958	23,365	„ 18	162,325	29,612
„ 18	- -	1,463	3,754	18,229	23,386	23,365	„ 19	150,174	58,424
„ 19	- -	130	3,666	6,055	9,851	23,365	„ 20	168,901	50,795
„ 21	- -	131	- -	5,316	5,447	23,371	„ 21	162,187	42,782
„ 22	4,000	2,179	2,070	6,599	14,848	23,371	„ 23	159,315	38,392
„ 23	5,000	808	3,164	14,840	23,812	23,371	„ 24	156,968	34,972
„ 24	5,000	966	5,411	5,835	17,212	23,371	„ 25	150,506	61,843
„ 25	10,000	977	3,024	6,879	20,880	23,371	„ 26	147,250	60,173
„ 26	8,000	977	1,864	6,256	17,097	23,371	„ 27	154,713	46,435
„ 28	- -	1,119	4,653	10,446	16,218	23,371	„ 28	153,408	—
„ 29	- -	1,672	- -	7,991	9,663	23,371	„ 30	130,004	34,248
„ 30	7,000	1,832	1,178	6,887	16,897	23,371	„ 31	133,050	60,793
„ 31	7,000	693	968	9,694	18,355	23,584			
June 1	15,000	5,114	1,037	6,154	27,305	23,584	June 1	40,872	61,684
„ 2	10,000	5,396	5,795	5,557	26,748	23,584	„ 2	64,939	41,587
„ 4	8,000	397	4,848	6,090	19,335	23,584	„ 3	57,967	32,885
„ 5	11,000	1,089	7,014	5,553	24,647	23,584	„ 4	59,259	26,710
„ 6	13,000	1,109	375	6,230	20,714	23,901	„ 6	54,231	59,099

(continued)

DATE.	Exchequer Credit Account.	Cash Account.	Drawing Account.	Bill Account.	Totals.	Naval Prize and other Appropriated Balances.	Balances in two of the separate Offices. DATE.	Paymaster of the Forces.	Treasurer of the Navy.
1838:	£.	£.	£.	£.	£.	£.	1836:	£.	£.
June 7	5,000	1,199	4,416	5,512	16,127	23,901	June 7	42,354	45,797
„ 8	8,000	2,014	2,577	5,870	18,461	23,901	„ 8	41,444	39,560
„ 9	5,000	2,020	4,929	6,001	17,950	24,290	„ 9	60,943	36,165
„ 11	10,000	2,689	3,976	7,490	24,155	24,290	„ 10	56,690	32,712
„ 12	8,000	714	2,692	7,576	18,982	24,290	„ 11	54,973	57,920
„ 13	5,000	1,038	2,649	7,727	16,414	24,330	„ 13	62,649	44,210
„ 14	5,000	8,515	3,830	6,397	23,742	24,330	„ 14	55,306	36,965
„ 15	7,000	31,190	6,892	6,925	52,007	24,330	„ 15	45,362	81,818
„ 16	5,000	12,190	608	7,553	25,351	24,330	„ 16	128,517	64,560
„ 18	6,000	240	3,515	6,514	16,269	24,330	„ 17	126,656	56,699
„ 19	4,000	522	3,916	6,274	14,712	24,330	„ 18	67,735	41,880
„ 20	17,000	3,036	1,157	6,980	28,173	24,330	„ 20	54,970	74,969
„ 21	15,000	3,230	2,659	6,542	27,431	24,330	„ 21	141,610	37,873
„ 22	- -	3,859	2,024	12,041	17,924	24,330	„ 22	106,270	54,217
„ 23	4,000	30,112	2,051	4,717	40,880	24,330	„ 23	106,337	42,453
„ 25	- -	572	2,507	7,179	10,258	36,987	„ 24	141,478	36,374
„ 26	12,000	615	7,714	6,675	27,004	37,277	„ 25	124,302	70,035
„ 27	12,000	641	4,499	5,703	22,843	37,277	„ 27	115,506	61,393
„ 29	17,650	700	3,865	6,852	29,067	37,277	„ 28	115,481	32,222
„ 30	17,000	817	6,659	8,571	33,047	32,466	„ 29	140,131	69,009
							„ 30	232,066	72,831
	1,363,275	226,896	371,704	817,928	2,779,803	1,825,484		7,820,347	3,993,344
			Average Daily Balances - - -		£. 36,576		- - - -		£. 101,563 £. 52,544

Appendix, No. 22.

Appendix, No. 22.

PAPER delivered in by *Ernest Albert Hoffay*, Esq., 23 June 1856.

(Copy.)

Sir, Bank of England, 8 February 1849.

I have the honour to transmit herewith a statement, respecting some proposed alterarations in the mode of managing the banking business of this establishment, which I request you will have the goodness to lay before the Lords Commissioners of Her Majesty's Treasury, with the view of obtaining their concurrence to such of the alterations as apply to the management of the Government accounts.

I have, &c.,
(signed) *M. Marshall*,
Chief Cashier.

Sir Charles E. Trevelyan, K.C.B.,
&c. &c. &c.

Statement.

The Bank for some time past has been engaged in altering its system of drawing accounts, with the view of facilitating the despatch of business, and of establishing more efficient checks against error. The shortening of the hours of business in the City has made the former more than ever necessary; and the great increase in the business of the cash department, which deals with the public, and its gradual conformity to modern banking practices, has rendered the old mode of check by a separate department, in which all

all the detail was repeated, unwieldly and almost inoperative, as a safeguard against error. This separate check department has therefore been abolished, and more efficient checks introduced, and perfect accounts made up, in the cash department itself.

The new accounts have now been in operation for more than 12 months in the office for private accounts, and have been partially introduced into the office in which the Government accounts are kept, but have not yet been adapted to meet the present requirements of the Treasury and of the Exchequer, because it is hoped that the Lords of the Treasury will take into consideration whether the numerous credit accounts raised for the several miscellaneous grants may not be dispensed with. The Bank are compelled to raise these separate credit accounts, to make the detailed returns required by the Treasury and the Exchequer, which, when made, derive no authority from the Bank, inasmuch as the data upon which they are founded originate with the Government accountants and the grantees, and not with the Bank and the grantees.

In addition to these returns, it appears to be considered a part of the duty of the Bank to guard against the overdrawing of the particular money grants by any mistake of the Government accountant to whose department the disbursement of them belongs. In paying drafts upon a private account, the Bank pay-clerk is guided as much by the credit of the drawer, as by his knowledge of the actual state of the account; and the average number of references to the ledger in paying such drafts is about one in eight; but in paying drafts against the Exchequer credits, it is not only the state of the account of the Government department, from which the draft is issued, that he has to consider, for he has to refer as well to the credit established under the particular grant, and post there at once every draft he pays. This is a serious hindrance to the despatch of business.

Again, a draft upon a private account requires only three entries, whilst one against a Government credit requires eight, and under the old system of accounts 11 entries.

It is submitted that each paying department of the Government might easily, and with many advantages, establish such efficient checks within itself as would render the separate account now kept by the Bank of every particular money grant as useless as it is inconvenient. The Bank would then confine itself to its own province in relation to the Pay-offices of the Government, and deal with them as a banker deals with a merchant; keeping only with each department simple debit and credit accounts, of cash received, and cash paid, adding only such particulars to each entry as would enable the Government accountant to identify it with the corresponding entry in his books.

When the Bank enters upon the secondary question of the appropriation of money, and keeps accounts of particular sums set aside for specific services, it exceeds the limits of its proper duties as a mere keeper of cash, and enters the province of the Government accountant, the duties of which, in relation to these credits, it is not in a condition to fulfil.

These latter remarks are offered as merely suggestive of what, for the utmost despatch of business, should be the position of the Bank in its relation to the various pay-offices of the Government; and the Bank trust that the Government will afford them the facility of carrying out their new system of accounts, by not requiring from them returns which are foreign to their duties as bankers, and which do not appear to be prescribed by Act of Parliament.

(signed) *M. Marshall,*
Chief Cashier.

Bank of England, 8 February 1849.

Appendix, No. 23.

PAPER delivered in by *W. G. Anderson*, Esq., 7 July 1856.

Mr. *Brooksbank*, Chief Clerk of the Financial Division of the Treasury, to Mr. *Litchfield*, Senior Clerk.

30 January 1849.

Appendix, No. 23.

To explain fully the grounds upon which I was led to observe that my first impression on reading the Minute of the 22d December, was that it went *too far*, and that my last impression was that it *did not go far enough*, would lead to a lengthy epistle; but I will state my view in as few words as I am able.

On the first perusal of the Minute, I saw that all the Exchequer check and control was gone, but on looking to the Treasury sanction given to Sir Henry Parnell on the *28th March 1838*, I saw that the Exchequer check and control was, *at that time*, rendered nugatory, by sanctioning the *blending* of the credits for *army, navy, and ordnance*, after they were given.

This sanction applies to about 17 millions out of 20 or 21 millions of supplies, and it was given with respect to the three services about which Parliament has always been the most jealous.

This being so, and the *new principle* having existed for ten years, and having been fully explained to Parliament seven years ago, in the return moved for by Sir Henry Parnell, and printed in 1841 (No. 359, page 60), the question appeared to me to be very limited; viz., Whether the same principle should be extended to the three or four millions of miscellaneous supply services? The conclusion seemed to me to be irresistible.

But the next consideration that occurred was, that after having transferred the check and control from the Exchequer to the Pay Office, the whole machinery of "*credits*" introduced by Parnell and *Bowring*, after the newest *French fashion*, became useless.

The two progenitors seem however to have since discountenanced their offspring. Parnell first broke *credits* down, with the sanction of the Treasury, as applicable to *Army, Navy, and Ordnance*, and Dr. Bowring, in the course of last Session, was reported to have expressed an opinion favourable to the Pay Office system of account, and unfavourable to that of the Exchequer, which (though his own child) he condemned as *useless*; and I think he was nearly right, *according to the present system*. But the fault was in the *alterations* made by him and Parnell in the *outline* of the duties of the *old Exchequer*, which combined (under Lord Grenville) *receipts* on the one hand and *payments* on the other (the *introitus* and the *exitus*) in *one account*. But by the alterations we now have *two accounts* instead of one, and neither of them perfect and satisfactory. The first is—

THE EXCHEQUER:

Dr.	Cr.
To Exchequer Credits. Received.	By Payments To Army Navy, &c., &c.

The second is—

THE PAY OFFICE:

Dr.	Cr.
To Exchequer Credits. Received.	By Payments To Army Navy, &c., &c.

Now instead of two accounts, there should be one only; viz.—

THE EXCHEQUER:

Dr.	Cr.
To Receipts.	By *Payments*. (Not *Credits*).

I come therefore to the conclusion, that either the Pay Office should be united to the Exchequer, or the Exchequer to the Pay Office, and that the *basis* of our accounts should be again, as formerly, *payments*, and not *credits*.

I had

I had a conversation on this very point with Mr. Edward Ellice, when he was Secretary at the Treasury, and one of Parnell's Commission for reporting on the Exchequer, but they all insisted on *credits*, and not *payments*, as the basis of our accounts. Appendix, No. 23.

This was the result of *theory*, without sufficient *practical knowledge*. The latter has been since gained, and is now upsetting *theory*.

You may show this note, if you like, to Sir Charles Trevelyan, as I understand the Comptroller-general of the Exchequer has expressed some objections to the system described in the Minute of the 22d December, though it is founded on, and is only an extension of, the principle sanctioned by the Treasury Minute of March 1838, when he was Chancellor of the Exchequer.

Appendix, No. 24.

COPY of a LETTER from Monsieur de *Marescalchi* to Viscount *Palmerston*, the original Copy of which was returned to the Treasury, in Audit Board's Report of 28th March 1851, No. 225. Appendix, No. 24.

My Lord, Londres, le 7 Mars 1851.

LE Conseil d'État récemment chargé par le Gouvernement de la République de préparer un projet de loi relatif à l'organisation de la Cour des Comptes, vient d'exprimer, à Monsieur le Ministre des Affaires Etrangères, le désir d'avoir quelque renseignemens sur la composition, les fonctions, et les formes de procéder de l'Audit Office, et de connaître bien exactement les attributions de cette cour.

M. Brenier m'invite en conséquence à transmettre à votre Excellence l'expression de ce désir, et à réclamer de son obligeance la communication de tous les documens qui pourraient faciliter le travail dont il s'agit. Le Conseil d'État désirerait particulièrement savoir :

1°. Si les membres de l'Audit Office sont inamovibles.

2°. Quel est leur nombre.

3°. S'ils se bornent à préparer le jugement définitif des comptes en recette et en dépense qui leur sont soumis, ou si, au contraire, ils prononcent en dernier ressort et comme juges sur la question des comptables.

4°. Si tous les comptables publics ressortissent à l'Audit Office.

5° S'il a le droit de rendre des déclarations de conformité analogues à celle de la Cour des Comptes de France, de signaler les abus, et de présenter dans un rapport public des vues de réforme et d'amélioration.

6° Si ses décisions sont exécutoires, e dans quelles formes.

7° Si enfin, comme en Belgique, son intervention peut avoir pour objet de contrôler directement, ou indirectement, l'ordonnancement des dépenses publiques avant que le paiement en soit effectué, a l'effet d'en assurer la regularité dans les limites des allocations budgetaires.

J'espére, my Lord, que Votre Excellence voudra bien me mettre à même de satisfaire le plus tôt possible au vœu qui vient d'exprimer Monsieur le Ministre des Affaires Etrangères.

Je saisis, &c.
(signed) *De Marescalchi.*

Son Excellence
Le Vicomte Palmerston.

Appendix, No. 25.

Appendix, No. 25.

REPORT from Commissioners of Audit, with Schedule of Documents referred to.

REPORT of the Audit Office on the Functions of the Commissioners of Audit, and their Mode of Proceeding.

Audit Office, Somerset House,
London, 16 April 1851.

My Lords,

We beg leave to acknowledge the receipt of Mr. G. Cornewall Lewis's letter of the 25th ultimo, with which was transmitted a copy of a communication which had been addressed to Viscount Palmerston by the French Chargé d'Affaires at this Court, requesting information as to the organisation, duties, and powers of the Audit Office. We were requested by Mr. C. Lewis to return the enclosure, together with such information upon the subject thereof as would enable Her Majesty's Government to supply to Monsieur de Marescalchi the information which he is desirous of obtaining for the use of the French Government.

In obedience to your Lordships' desire, we proceed to answer, in the order laid down, the several questions contained in Monsieur de Marescalchi's letter, this appearing to us the best mode of complying, with as little delay as possible, with the request preferred by the French Government respecting the organisation, duties, and powers of our office.

1st. Whether the members of the Audit Office are irremovable?

The members of the Audit Office consist of a Board of Commissioners and of subordinate officers; and although the latter are removable at the pleasure of the Government, or of the Commissioners, the former are not.

The Commissioners are appointed for life; the patent appointing them is drawn up in the same form as that of the Common Law Judges, the tenure being during good behaviour (or *quamdiu se bene gesserint*), under Act 25 Geo. 3, c. 52, s. 4; and it is only by a joint address to the Crown from both Houses of Parliament that they can be removed by the Sovereign from their situations.

As a consequence of this tenure of office, their salaries do not come annually under the consideration of Parliament for the purpose of being voted, but are paid out of the Consolidated Fund, in the same manner as the salaries of the Judges of the land, their independence being thus confirmed.

The subordinate officers of the Audit Office are also paid out of the Consolidated Fund; but they are removable, under Treasury regulation, by the Commissioners themselves for misconduct, or by the Government for the convenience of the service, or other reasons. The exercise, however, of the discretion of the Commissioners in dismissing any of their officers might be the subject of appeal to the Treasury.

2d. Their number?

The establishment of the Audit Office consists of a Board of six Commissioners, one of whom is appointed chairman, with an increase of salary in that capacity; one Secretary, 11 Inspectors, and 96 Examiners, of whom one is a book-keeper.

There are also 23 Supernumerary and Temporary Examiners.

The above are the numbers of the Audit Office, as established in this country. In addition, however, to these, there are auditors appointed in most of the Crown colonies, *i. e.*, in the colonies in which a Legislative Assembly has not been established. These officers are appointed by the Secretary of State for the Colonies, and it is to them that the accounts of those colonies are, in the first instance, rendered for examination, and by them the documents and vouchers appertaining to the accounts are authenticated, previously to their being transmitted to this country for final audit by the Audit Board.

In the accounts so investigated by the colonial auditors, the re-examination of the castings, computations, and other portions of such accounts, may, under the provisions of the Act of Parliament, 53 Geo. 3, c. 150, be dispensed with, at the discretion of the Commissioners of Audit, when the accounts come to be finally disposed of by them.

3d. Whether they confine themselves to preparing the final decision on accounts of receipts and expenditure submitted to them, or whether, on the contrary, they pronounce without appeal as judges upon the transactions of accountants?

The Commissioners prepare, for the consideration of the Lords of the Treasury, their statements of the receipts and expenditure of the accounts which are submitted to them, and do not decide without appeal as judges upon the pecuniary transactions of accountants.

Nevertheless,

Appendix, No. 25.

Nevertheless, in the preparation of these accounts the Commissioners of Audit are free and unfettered, save by the provisions of the statutes under which their Board is constituted. It is not competent for the Lords of the Treasury, or for any other department of the State, to issue directions as to the mode in which accounts are to be examined by the Audit Board, or as to the proofs which may be deemed necessary.

Soon after the constitution of the office on its present footing, in 1807, the Lords of the Treasury gave to the Commissioners of Audit directions as to the mode in which a certain account should be examined. This drew forth a Report from the auditors, a copy of which we beg leave to enclose, in which the principles regulating the proceedings of the Audit Board were laid down; and the Treasury, in reply, acquiesced in the views so taken. 29 January 1807.

On entering upon their office, the Commissioners individually take an oath, in the presence of the Chancellor of the Exchequer, that they will faithfully, impartially, and truly execute the several powers and trusts vested in them by Act 25 Geo. 3, c. 52, s. 4. And by section 9 they are empowered to require the production of any books, documents, or other papers whatsoever, and to call before them and examine persons upon oath, with a view of enabling them to pursue their investigations, and finally to put upon record their opinion as to the sums which should be allowed or disallowed to the accountant's credit.

With respect to the sums to be allowed to the accountant's credit, the decision of the auditors is final. They are to decide whether the payments are duly authorised and vouched, and if they are of opinion that they are so, the Treasury cannot direct them to disallow them. With respect, on the other hand, to sums disallowed by the auditors, the case is different. Here, according to long practice, an appeal lies to the Treasury, who are empowered to direct, if they think fit, by a warrant signed by two Lords of the Treasury, that for all such sums, or any of them, credit should be allowed to the accountant, such directions appearing on the face of the account as the act of the Treasury, and not of the auditors.

In some cases, however, viz., where money has been lost, by default or otherwise, it is considered necessary that a warrant under the sign manual of the Sovereign should be obtained to give allowance for the same, as, all grants of money by Parliament being made to the Sovereign, the consent of the Sovereign is considered necessary in such cases. It is not competent for the auditors to allow sums to the accountants' credit unless they are duly authorised and duly vouched; if they are not duly authorised, that is, if an authority given previous to payment by the competent officer or department be not produced by the accountant in support of the charge, the auditors are bound by Act 25 Geo. 3, c. 52, s. 11, to disallow the same; but upon a special statement of the matter from the auditors, the Lords of the Treasury are competent, by warrant signed by two of them, to remove the disallowance.

The authority must be a previous one. If an accountant takes credit for a payment without such previous authority, and, on being apprised of the omission by the auditors, should himself refer the matter to the Treasury, and obtain from that department a sanction for the payment made otherwise than by warrant, the auditors would still be bound to disallow the amount, and place upon record that such an authority as the Act requires has not been produced, leaving it for the Treasury to remove the disallowance by a warrant on the state of the account, should they think fit. If, again, any sum be not duly vouched, the auditors, by Act 53 Geo. 3, c. 150, s. 4, cannot allow the same, but they may, by pointing out the deficiency in a note or memorandum upon the account, recommend allowance of the sum, and the Treasury may thereupon allow the expenditure. It may further be observed, that in almost all cases in which an accountant appeals to the Treasury against a disallowance made by the auditors, the Treasury, before deciding on such appeal, again refer the matter for the consideration of the auditors, for any observation they may have to make on the subject.

It has been thought necessary to go into the above details for the purpose of showing how far the decisions of the auditors may be considered as final.

4th. Whether all public accountants are amenable to the Audit Office.

According to practice, all public accountants, *i.e.*, all persons to whom issues of public money have been made, are not amenable to the jurisdiction of the Audit Office. It has, however, been the policy of late years to concentrate as much as possible the public accomptability of the country, to diminish the number of paymasters, and to transfer to the Audit Office the examination and audit of the accounts of several large services, which had hitherto been examined by separate auditors.

Thus, the duties of the Commissioners for West India accounts, of the Colonial Audit Office, of the auditors of public accounts in Ireland, of the auditor of Land Revenue, of the comptrollers of Army Accounts, of the auditor of the Excise Accounts, have all been incorporated with the Audit Office, and the several public accountants formerly amenable to these respective offices are now placed under the control of the Commissioners of Audit. A list of the accounts now rendered to the Audit Office is hereto appended.

There are two modes by which persons, to whom issues of public money have been made, are rendered amenable to the Audit Office.

Parliament either specially directs that accounts for particular services shall be rendered to the Audit Office, or leaves to the discretion of the Lords of the Treasury to direct by whom the accounts shall be audited.

In the latter case it is the general practice of the Treasury to transmit them to the Audit Office for examination and audit. The ordinary course pursued by the Treasury is to direct the issue of money "with account," thus necessarily bringing the expenditure under the control of the Audit Office. It has also been the practice of the Treasury to direct the issue of money "without account," or "without account other than such as may be required by their

Appendix, No. 25. their Lordships," thereby exempting the accountants to whom such issues are made from any control by this Board.

Moreover, in the absence of any legislative directions to the contrary, the Treasury exercise their discretion whether the issues shall be accounted for to this Board or not; and although the Treasury may have decided that any particular account should be examined and audited by the Commissioners of Audit, they can at any time reconsider that decision.

It has also been not unusual for the Treasury to refer to the Audit Office for examination accounts which consist principally, and in some cases wholly, of monies derived from private sources. These relate chiefly to services carried on in Ireland, consisting principally of charitable institutions. Such accounts, when rendered to the Audit Office, are to be dealt with in the same way as all other public accounts under their control. With respect to accountants who are not amenable to the Audit Office, in addition to those persons to whom the Treasury has issued money without account, there are several large departments, such as the Army, Navy and Ordnance, the detailed examination of whose accounts is carried on by themselves.

Parliament has, however, directed that the Commissioners of Audit shall annually lay before it a comparison of the sums granted for those services, under particular heads, with the sums expended; but this subject will be more particularly referred to hereafter.

5th. Whether it is empowered to pronounce declarations of conformity, "similar to those of the French Court of Accounts, to point out abuses, and to present in a public report any view of reform or improvement."

With respect to the particular nature of the duties imposed by Parliament upon the Commissioners of Audit with reference to the accounts of the Army, Navy, Ordnance, and Commissariat Services, the Act 9 & 10 Vict. c. 92, together with the last accounts laid before Parliament in conformity therewith, are herewith transmitted, as the best mode of affording the means of making a comparison of the declaration appended to the accounts by the Commissioners of Audit, with the detailed and more elaborate certificate or declaration of the Court of Accounts.

It is apprehended that the whole of the receipts and expenditure of France is brought under the review of the Court of Accounts, and, by their annual Report under that of the Legislature and the public, in one statement, certifying to the correctness of such receipts and expenditure, and how far both are in accordance with the legislative enactments of the country relating thereto.

No such general system has as yet been adopted in England, nor could the Commissioners of Audit lay before Parliament an audited balance-sheet similar to that annually submitted to the Legislative Chamber of France, and in which a comparison is made between the whole of the expenditure and the sums voted for the entire service; unless, first, the whole of the gross revenue arising from the taxes were paid into the Exchequer; second, unless the principles already adopted with respect to Naval and Military Departments were extended to all other services: at the same time it is to be observed, that the principle has on more than one occasion been affirmed in Parliament, that the gross receipts should be paid into the Exchequer; and the principle of instituting a comparison between the Votes of Parliament, and the sums expended under those Votes on the faith of the Commissioners of Audit, which was, in the case of the Naval accounts, first adopted in 1832–3, by Act 2 Will. 4, c. 40, has since, in 1846, been extended by Act 9 & 10 Vict. c. 92, to the departments of the War Office, Ordnance and Commissariat. It is further to be observed, that the Lords of the Treasury, "with the view of making a more effectual provision for the due and proper examination and audit of the public accounts of the Kingdom," directed the Commissioners of Audit, on 13th April 1849, to prepare a Bill for the consideration of Her Majesty's Government, and of Parliament.

This Bill has accordingly been prepared, and a copy is herewith transmitted.

After what has been stated, it is scarcely necessary to observe, that the Commissioners of Audit have no opportunity of pointing out to Parliament irregularities and abuses in the public accounts, or of submitting in a public report the views they may entertain of reform, with the exception of such as may affect the accounts of the four services already adverted to, and that within the limits prescribed by the Act; and they consider themselves precluded from making any observations which may in any way interfere with the administration of the executive departments. At the same time the Commissioners of Audit do consider it part of their duty to submit to the Lords of the Treasury their views on the subject of public accounts.

In illustration of this, it may be observed, that in November 1848 it occurred to the Commissioners of Audit that it would greatly tend to increase the regularity of the service, and expedite the labour of examining the accounts, if a system of monthly (instead of annual) accounts were adopted, these monthly accounts consisting of the record in the order of date of each day's pecuniary transactions; and the Lords of the Treasury at once concurred in the suggestion, and gave every facility for its adoption, and that system since 1st April 1849 has been in general force throughout the service, and with much public advantage.

6. Whether its decisions are binding, and under what formalities?

The decisions of the Commissioners are of two kinds; first, those which are instrumental towards the examination of accounts; and, second, those which are subsequent to the audit, or, at all events, to any final decision being come to respecting the pecuniary liability of persons to whom public money has been imprested.

1. It

1. It has been said in a former part of this Report, that the Auditors have the power of calling before them, and examining upon oath, any one whose evidence may be considered necessary for the due investigation of the accounts under their control. If such persons, after having been duly summoned by precept under the hands of three of the Commissioners, should refuse or neglect to obey such precept, they are liable to fine, and consequently to imprisonment; but it is only by application to the Court of Exchequer, through the law officers of the Crown, that this penalty can be enforced, and the decision of the Commissioners of Audit maintained.

2. Any person to whom public money has been imprested, and who refuses to account for the same, is subject to similar penalties, and his property made liable; and the amount is recoverable through the Court of Exchequer, on the application of the Commissioners of Audit.

Any person, again, who lays claim to and retains in his hands sums of money to which he is not entitled, is liable to prosecution previous to the audit of the account. A case of recent date may be cited in which a public functionary retained in his hands the amount of certain fees which, according to the Treasury arrangements fixing his salary and emoluments, should have been brought to credit. The Commissioners of Audit applied to the Treasury to ascertain whether any alteration had been made by their Lordships in their arrangement with the officer, and, on receiving an answer in the negative, the Commissioners of Audit at once proceeded to take legal steps for the recovery of the amount due. In this, as in all similar cases, the Treasury would, no doubt, have the power of stopping the proceedings of the Commissioners of Audit; but such instances have been very rare.

Subsequent to the audit of an account by the Commissioners of Audit, the account is sent to the Treasury for their consideration, is warranted for approval by their Lordships, then prepared for declaration, and again signed by three of the Commissioners of Audit previously to its being laid before the Chancellor of the Exchequer for his signature, which is termed "declaration." The account, on being thus declared to by this high functionary of the Court of Exchequer, becomes at once evidence in that court; and, if any balance remains due upon that account on the termination of the accountant's pecuniary responsibility, it must be paid and discharged according to the course of Her Majesty's Exchequer, together with five per cent. interest from the date of the audit; and payment is enforced by the Court of Exchequer on the application of the Commissioners of Audit.

The formality of declaring accounts before the Chancellor of the Exchequer is dispensed with in the case of Colonial Accounts and of some others, and in these cases the Commissioners of Audit have, by the provisions of 2 Will. 4, c. 26, the power of passing these accounts after they have been considered and warranted by the Treasury; and the accounts thus passed have the same validity and effect as if they had been declared.

In the event of any proceedings instituted by the Commissioners of Audit for the recovery of such balances being controlled, suspended, or prevented by the authority of Her Majesty, it is provided by Act 39 & 40 Geo. 3, c. 54, that a statement should be presented to both Houses of Parliament, exhibiting the course that had been adopted.

The above examples have been cited as the best means of affording some indication of the mode in which the decisions of the Audit Office are enforced, and of the line of demarcation which is drawn between the authority exercised by the Commissioners of Audit, the Lords of the Treasury, and the Court of Exchequer.

The aforegoing observations have reference to the ordinary accounts examined and audited by the Commissioners of Audit. With respect to the Appropriation Audit of the voted Expenditure of the Naval and Military Departments, which has already been adverted to, the decisions of the Commissioners of Audit can only be enforced by Parliament, as their authority extends no further than reporting and publishing their observations to Parliament, leaving them to be there dealt with as may be thought fit.

7th, and lastly. If its intervention is intended, as in Belgium, directly or indirectly to control the authorizing of public expenditure previously to the payment being actually made, with a view to secure its regularity within the limits assigned by the Budget?

It is no part of the duty of the Commissioners of Audit to control, directly or indirectly, the authorizing of public expenditure previous to payment, with a view of ensuring regularity within the limits assigned by the Appropriation Act.

This particular duty devolves upon the Comptroller-general of the Exchequer; he is intended to act on behalf of the House of Commons as a check upon the Treasury, and to see that the issues of public money made by Royal or Treasury Warrants out of the Exchequer are not misappropriated from one head of service to another, and do not exceed the sum granted by Parliament under any particular head. And under the 23d section of 4 Will. 4, c. 15, an annual statement is rendered to Parliament of the receipts into and payments out of the Exchequer; but that account is not rendered to nor examined by the Commissioners of Audit, nor is it subjected to any other independent check; Parliament relies upon the faith of the statement of the Comptroller-general of the Exchequer, that the issues made by him are in accordance with the Royal and Treasury Warrants; that those warrants do not contravene the directions of Parliament, as shown by the Votes and the provisions of the Appropriation Act. But he has no means of ascertaining that the expenditure has been actually incurred in the manner directed by Parliament. The issues, when once made out of the Exchequer, and transferred to the account of the Paymaster-general, are subject to any directions the Lords of the Treasury may think fit to give respecting them, and are thus placed beyond the cognizance of the Comptroller-general of the Exchequer, nor is it within the province of the Audit Board to investigate their due appropriation.

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appropriation. That officer, however, although appointed by the Crown, holds his appointment, like the Commissioners of Audit, for life, and is therefore independent of the Government for the time being.

The only checks which the Commissioners of Audit exercise over the expenditure under the particular heads of the Appropriation Act, is subsequent to payment. This check is limited, as has already been observed, to the Military and Naval Services, and the control that the Commissioners of Audit possess is, in the cases of those departments, to point out to the Treasury and to Parliament all those instances in which the directions of Parliament may not have been strictly complied with. In the case of the Accounts of the Military and Naval Departments the Commissioners of Audit cannot, during the course of their examination, *i. e.*, of the comparison which they institute between the votes and the payments, call in question or object to the due authorities or orders under which the expenditure has been incurred, or interfere in any way with the course of the Executive in those departments.

Having thus given a slight, and we fear an imperfect sketch of the composition, functions, and form of proceeding of the Audit Office, as indicated by the series of questions contained in Monsieur de Marescalchi's letter to Viscount Palmerston, it only remains to advert to the documents, the transmission of which is requested, as further illustrative of this subject.

The draft Bill before referred to recapitulates the several Acts of Parliament which at present regulate our proceedings, and which will be accessible to the French Government in the Statutes at Large.

Your Lordships' warrant of establishment of 1st June 1849 shows the composition of the office, and the nature of the control exercised by your Lordships over the internal regulation of the office. The general regulations for the guidance of the officers of the Audit Office are also enclosed; and the Commissariat and Colonial instructions drawn up by this Board, or with their assistance, and issued under your Lordships' directions, will illustrate the forms and mode adopted in the examination of the accounts to which they relate. With respect to the accounts for other services, a rough draft of instructions is at present before your Lordships for consideration and sanction; and the instructions issued by the War Office, the Lords of the Admiralty, and the Board of Ordnance, for the guidance of their several accountants, can, if your Lordships think fit, be obtained from those departments, and transmitted to the French Government, with those which more immediately relate to our office.

We have, &c.
(signed) *W. L. Herries.*
Henry Arbuthnot.
Edward Romilly.
A. Grant.
Charles Ross.
R. Vaughan Davis.

To the Lords Commissioners of
Her Majesty's Treasury,
&c. &c. &c.

SCHEDULE of DOCUMENTS referred to in the accompanying Report from the Commissioners of Audit, dated 16 April 1851, No. 274.

1st. Copy of a Letter from Monsieur Marescalchi to Viscount Palmerston, dated 7 March 1851.

2d. Copy of a Report from the Commissioners of Audit to the Lords of the Treasury, dated 29 January 1807.

3d. List of Accounts rendered to the Audit Office for Audit.

4th. Copy of Act 9 & 10 Vict. c. 92.

5th. Copy of an Account of the Naval Receipt and Expenditure for the year 1849-50, with the Reports of the Commissioners of Audit thereon.

6th. Copies of the Accounts of Army, Commissariat, and Ordnance Receipt and Expenditure for the year 1848-49, with Reports of the Commissioners of Audit thereon.

7th. Detailed Accounts of Receipt and Expenditure for Navy, Army, Commissariat, and Ordnance Services, for the year to 31st March 1849.

8th. Draft Bill to consolidate and extend the Powers and Authorities of the Commissioners for auditing the Public Accounts.

9th. Warrant of the Lords of the Treasury, dated 1 June 1849, for the Regulation and Conduct of the Business of the Audit Office, and its Establishment.

10th. General Instructions for the Officers employed under the Commissioners for auditing the Public Accounts.

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REPORT from the COMMISSIONERS of AUDIT, dated 29 January 1807. Appendix, No. 26.

My Lords, Audit Office, 29 January 1807.

WE have the honour to acknowledge the receipt of Mr. Vansittart's letter, dated the 16th instant, transmitting to us the Report of the Comptrollers of Army Accounts, dated on the 15th instant, upon the referred memorial of Lieutenant-general Hewett, barrackmaster-general, relative to the mode of examining and finally passing his accounts; and acquainting us that your Lordships approve of the said report, and direct this Board to proceed in examining General Hewett's accounts in conformity thereto.

We think it necessary to premise that prior to the above communication of Mr. Vansittart we had made our report to your Lordships, dated on the 16th instant, upon the subject of the same memorial of General Hewett. We beg leave to refer your Lordships to the contents of that report; and further, to represent that, although we expressed no opinion with respect to General Hewett's proposal of a particular scheme of instructions to be given to this Board for facilitating the audit of his accounts, yet we did not omit to take that part of the memorial into our full and deliberate consideration. We were decidedly of opinion that those proposals were not less exceptionable in principle than they were unusual in point of form, and we were fully prepared to have so reported them to your Lordships. But in the meantime General Hewett having personally applied to us, and being apprised of our opinion on the subject of his memorial, we consented to enter into a regular examination of his accounts, which we have since been proceeding upon according to the established rules of this office. Conceiving General Hewett to have acquiesced in this arrangement, and having experienced from him every readiness to give us full information on the subject of his accounts, we stated these facts in our report to your Lordships, and purposely forbore from expressing any opinion upon that part of his memorial which we considered as most objectionable; partly from a desire of avoiding any observations that might have the appearance of harshness or personality towards a respectable individual, but principally because we felt the greatest reluctance to agitate, or even to suggest any question not absolutely necessary concerning the nature, extent, and limits of your Lordships' authority to instruct this Board as to the discharge of their official duties.

We sincerely lament that we are now under the necessity of entering in some degree upon this embarrassing but most important discussion. Your Lordships direct us by Mr. Vansittart's letter, in conformity to the Report of the Comptrollers of Army Accounts, to admit in our examination of General Hewett's accounts certain preliminary propositions which they appear to have adopted with very little variation from the suggestions of General Hewett's memorial. We beg leave to represent that the admission of these propositions will, as it appears to us, materially affect and alter the course of our examination of General Hewett's accounts; that it will confine this Board to particular modes of inquiry in some cases, and exclude all inquiry in others; and that it will essentially interfere with the due investigation of the accounts according to the rules and practice of this office. After the most deliberate and anxious consideration, we are most humbly of opinion, that we should not be justified in admitting these propositions, and with all due deference for the authority and judgment of your Lordships, we shall now proceed to state the grounds and reasons upon which this opinion is founded.

The official duties which we are sworn faithfully, impartially and truly to execute, according to the best of our skill and knowledge, are shortly and emphatically described by the Act of the 25th of his present Majesty, c. 52, by which the Board was originally constituted. We are enjoined by that Act "to try and examine the several accounts and vouchers which shall be transmitted to us from time to time, and upon trial and examination thereof to make full, just and perfect accounts." To the performance of this duty, which is entirely strict in its nature, it is obviously essential that we should have proof satisfactory to our own judgments of the authority of each expenditure, the reasonableness of the charge (in cases where it can conveniently be ascertained), and the fact of payment. It is further essential that we should be entirely free and unfettered both as to the proofs we may require, and our manner of reasoning upon those proofs; we are directed in all cases to require "vouchers or other satisfactory evidence;" but it must be obvious to your Lordships that the question of what is satisfactory evidence is extremely different in different cases; and that is a point which in its own nature is incapable of being defined by any precise rule or previous instructions. The party who "tries and examines the account," must exercise his own judgment, and form his own conclusions in each particular case. We, therefore, humbly conceive that it would be inconsistent with the public trust reposed in us, to bind ourselves by any previous admission or engagement that might interfere with that full and free investigation which is the first and most important of our duties.

We beg leave further to represent that the propositions, which we are required to admit, are avowedly framed in order to protect the accountant against the legal effects of an acknowledged departure from instructions given under his Majesty's Sign Manual, and against a consequent want of authority for many of his articles of expenditure, yet it is material to observe that the question of authority for expenditure is that which, above all others,

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others, requires the greatest vigilance, and in which we have the least discretion. The Act of the Legislature, to which we have referred, expressly declares that, "in auditing and examining the public accounts, the Commissioners shall allow such articles of expenditure only as the accountants shall have been duly authorised to incur, unless upon a special statement of the matter to the Lords of the Treasury, they shall be directed to make further or other allowances to the accountants by warrant under the hands of the Lords of the Treasury, or any three of them."

25 Geo. 3, c. 52, s. 11.

The ancient and established forms of office have always been resorted to as good evidence of law. The mode of stating an account in this office (which is of the nature of a public record), contains, in our apprehension, a clear proof of the strictness and severity of our official duty in the audit of accounts, as contradistinguished from that discretionary power which is constitutionally entrusted to the higher departments of the state. In all cases in which payments surcharged or objected to by this office have been allowed by subsequent authority, it appears upon the face of the account what is the precise authority under which each allowance is made, whether it be an order of the Court of Exchequer to dispense with the production of vouchers, a Sign Manual Warrant of the Treasury, or other documents; the account thus stated exhibits the real nature of the transaction, and affords the means of immediately ascertaining what is the final result of the account, according to the strict examination of this office; and in what respect that result is varied by the discretionary indulgence exercised towards the accountant by the superior departments of Government. It can hardly be necessary to observe that if a different practice was to prevail, if this Board was to relax its rules of examination in consequence of instructions from your Lordships or from any other authority, great uncertainty and irregularity would ensue. It could not in that case be ascertained by inspection of a public account in what manner or upon what principles, and with what degree of rigour or laxity the account had been audited. It would be possible under such a system to show great indulgence, and make large allowances to a public accountant, which would nowhere appear upon the face of his account, and for which there would be no efficient responsibility; above all, a principle of laxity would be introduced into the proceedings and practice of this office, which would impair its functions and might gradually destroy its utility.

Treasury Warrant, dated 9 Oct. 1806.

If we had found such a practice existing in this office we should have thought it our duty, under the original instructions with which we have been honoured by your Lordships, to report such a practice as requiring immediate amendment, considering an irregular and fallacious mode of examining and passing accounts as one of the greatest of public abuses. But we have the satisfaction of stating to your Lordships that the mode of examination established in this office appears to us to possess the full advantage of that uniformity, arising from adherence to fixed rules, which we consider as essential and indispensable to such a system.

By Letters Patent, dated 11 Sept. 1806.

We are aware that by the statute of the 25 Geo. 3, c. 52, to which we have already referred, this Board is expressly made subject "to the same control to which the auditors of the imprest were then subject or liable by law, usage, or custom;" and that by the letters patent of our appointment we are authorised and directed to "audit and determine accounts by and with the advice, authority, and consent of the Lords of the Treasury and Chancellor of the Exchequer." But we humbly conceive that the words "authority and advice" used in His Majesty's patent must be qualified and explained by reference to the nature of our public duty, and the usage and practice of this office. According to this principle of construction we understand by these words, authority exercised, and advice communicated to us by your Lordships, in furtherance, not in relaxation of the official duty prescribed to us by the Legislature, and in order to promote and assist the object and end of our appointment, the due examination of the public accounts. We shall at all times feel it our duty to pay the most strict and willing obedience to any directions of your Lordships which may relate to our official arrangements, the due course of our proceedings, and the exercise of our public duties, and in general to all other instructions which do not operate as an immediate restraint upon the free exercise of our judgments in examining the public accounts. But we most humbly protest against being bound by your Lordships' instructions, either as to the general rules by which accounts are examined, or the manner of auditing any particular account. In forming our opinion upon this important subject, our inquiries have naturally been directed towards the records and proceedings of the late Board, established in the year 1785, and to the usage and practice of the Auditors of the Imprest, to whom the late Board succeeded with additional duties and a great enlargement of authority. We have endeavoured to ascertain this practice, both from our own researches and the information of our oldest and most experienced officers. We beg leave to assure your Lordships (and we consider this circumstance as being nearly decisive of the question of law) that we have discovered no trace or memorial of any case in which the Lords of the Treasury have exercised any authority over this office, analogous to that which appears to be exercised by your Lordships upon the present occasion. We find it to be the universal opinion and understanding of our most experienced officers, that the authority to which we allude has no just foundation; and we have the greater confidence in this opinion, as it appears to us to be entirely consonant to every principle of reason and public expediency. As the result of our inquiries upon this subject we now beg leave to state, that His Majesty (as we apprehend) by the advice of his responsible ministers, either issues money without account, or discharges a party from accounting altogether; that in cases where an account is rendered His Majesty or your Lordships may allow to any extent surcharges made by this office; but that neither His Majesty nor any authority, except that of the Legislature, can either

either alter the general rules of accounting in this office, or authorise a relaxation of those rules in favour of a particular accountant.

Such being our humble opinion of the state of the law upon this subject, we beg leave further to represent that in case we had been satisfied of the legal existence of the power now exercised by your Lordships, we should still have had great doubts as to the expediency of its exercise in this particular case. These doubts have been so strongly impressed upon our minds by our view of General Hewett's accounts, that we are induced to trespass still further upon the time of your Lordships by pointing out the several inconveniences which, as it appears to us, would probably result from adopting the course of examination recommended by the Comptrollers of Army Accounts.

In the observations which we are about to make, we beg leave to be understood as speaking without the least prejudice to the case of General Hewett. We think it our duty to state that his accounts appear to have been kept with great regularity, and bear every appearance of fairness. We concur in the opinion expressed by the Comptrollers, who state by their report, "That they have no reason to suppose, and do not believe, that General Hewett has been guilty of malversation or gross negligence." But General Hewett is known to this office only in his character of a public accountant, and every person in that situation, against whom nothing has been proved, is equally entitled to the favourable opinion of this Board. We can by no means think that either this opinion or the apparent regularity of his accounts ought to exempt General Hewett from the operation of established rules, or from that complete and satisfactory investigation of his accounts, to which the public is entitled, and which the regular course of law has provided.

We shall proceed as shortly as possible to state to your Lordships the reasons why any relaxation of ordinary rules would, in our opinion, be highly inexpedient in the particular case of the Barrack Accounts. The recommendation of the Comptrollers extends to the whole of General Hewett's accounts up to the close of his service. We shall confine our observations to the accounts of the year 1805, which are now under investigation, the accounts of 1806 not being yet delivered. By the accounts to which we now refer, it appears that the expenditure of the year 1805 for this service amounted to 496,237*l.* 6*s.* 7*d.*, and that during the course of the year advances upon account were made to the builders under contracts of General De Lancey to the amount of 626,596*l.* 5*s.* Among the different payments of which this latter sum is composed, 171,298*l.* appear to have been paid to one builder, 117,720*l.* to another, and different sums from 10,000*l.* to 40,000*l.* to others. We beg leave to call your Lordships' most serious attention to the great amount of this expenditure, to the new and unprecedented nature of the service in question, to the great abuses which have been discovered in that service, and to the very important circumstance that no barrack account has yet been examined by this office, and that consequently we are at present without any experience to direct us in such an examination. We shall feel it it to be our duty, under these circumstances, most attentively and anxiously to consider in what manner these important accounts can be most effectually investigated; and in pursuing this inquiry we shall have recourse, not only to the information of our most experienced officers, but probably also to that of the Commissioners who have been specially appointed for examining General De Lancey's accounts. We are very apprehensive, both from the nature of the service and the magnitude of the expenditure, that any examination of these accounts which can take place in this office must be far from perfect or satisfactory, and that we shall probably be able to do little more than avail ourselves of the different practical checks which the transactions themselves furnish, and apply those checks in a very strict and rigorous investigation of the accounts. Being so deeply impressed with the difficulties and importance of the present case, we trust that we may be allowed to express our doubts whether there is an occasion upon which it is expedient or reasonable to limit the inquiries, and compromise the duties of this Board by a course of proceeding which, at least, must be acknowledged to be unusual and without precedent.

We trust, also, that we shall be pardoned by your Lordships if we further remark, that peculiar inconvenience might very probably result from the general and indefinite terms in which the instructions for auditing these accounts are expressed. We are required to admit, as preliminary to our examination of the accounts, certain propositions of the most general nature, and expressed in the most general terms, of which it is quite impossible for us at present to ascertain the extent or foresee all the consequences. We observe that General Hewett, by his memorial of the 25th November 1806, has thought proper to assert in a confident and somewhat peremptory tone, "that it is the decided conviction of all those in the Barrack Office, who alone (as he states) are able to form a complete judgment on the subject, that there is no other practicable mode of examining his accounts than that which he has suggested." We trust, however, that the opinion of this Board upon a subject within its own cognisance and jurisdiction will have due credit with your Lordships, when we state it to be our sincere apprehension that, by admitting the several points in question, we should in no degree facilitate, but, on the contrary, greatly embarrass the examination of these accounts. Several of the propositions are by no means very clearly expressed, and those which seem now to be clear may probably, in their application to particular cases, be found to be extremely ambiguous. A new cause of difficulty will thus be introduced into the examination of these accounts, and questions may be expected to arise between the accountant and this office how far a particular case is within the basis of examination established by the instructions, and recourse must on such occasions be had to your Lordships to decide between the parties upon the disputed points.

It is a much more serious objection that such general propositions are always extremely hazardous,

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hazardous, because it is impossible to foresee to what extent they may be carried in their practical application; and we beg leave to add, that we apprehend them to be contrary to the established usage of His Majesty's Government in these cases. We conceive that it is extremely unusual, and by no means an approved practice, to show any favour towards a party in respect of his public account, before the account in question has undergone some degree of examination. After the account has been examined, and the objection has been stated, or the surcharge made, the accountant applies for relief to your Lordships, stating a given case, and specifying the particular grounds of the objection or surcharge. Two obvious advantages attend this practice: 1st. That the circumstances of the case, together with the exact nature and whole extent of the accountant's claim, are clearly and distinctly understood. 2dly. That your Lordships have important means of information with respect to the accountant's conduct, in consequence of the previous examination of his accounts in this office. We see no circumstances in General Hewett's case by which he is in any respect distinguished from other public accountants, except the great expenditure and complicated nature of his service; these circumstances which General Hewett relies upon as entitling him to peculiar indulgence appear to us to have a direct contrary tendency.

We have stated by our former report on General Hewett's memorial that in case General Hewett has deviated from his official instructions with the knowledge and acquiescence of His Majesty's Government, it will be an act of justice towards him to give an express sanction for such deviation. We beg leave now to add, that in case your Lordships shall be satisfied that General Hewett, in deviating from instructions upon his own opinion, has acted with a due regard to the interest of the public, and of the service with which he was intrusted, it may, perhaps, be fit and reasonable, under all the circumstances, that there should be a precise and definite sanction for such parts of General Hewett's conduct as may appear to be entitled to favourable consideration, of which sanction he may have the benefit in passing his accounts in this office. But we humbly submit to your Lordships, whether it is reasonable or expedient as a preliminary step, and prior to any adequate examination of his accounts, to release General Hewett from any of those responsibilities to which he has rendered himself liable by his public engagements. We make all due allowances for the feelings of an individual who is about to embark on a remote service, whilst he is responsible to so large an amount; but we must be permitted to observe that the responsibility of which he complains is one which he voluntarily incurred, and for which he has received what he must have considered as an adequate compensation. We cannot admit that the personal inconvenience or peculiar situation of any individual ought to interfere with those rules which have been wisely established for the safety of the public revenue.

We have now stated our opinions to your Lordships at great length with regard, both to the legal effect, and also to the propriety and expediency of the instructions communicated to this Board by Mr. Vansittart's letter. If we shall be fortunate enough to satisfy your Lordships upon either of these points, there can be no necessity for any further agitation of the present question. If the arguments which we have humbly offered to your Lordships shall fail of producing this effect, we beg leave to submit whether it may not be fit and expedient that a case should be immediately laid before the law officers of the Crown for their opinion upon the question of law.

For the present we shall proceed upon General Hewett's accounts with all convenient despatch, adhering strictly to those rules of examination which we find established and practised in this office. If it shall appear in the course of this examination that there is any occasion upon which the authority of your Lordships may be conveniently and usefully exerted, in order to facilitate the passing of General Hewett's accounts, we shall do ourselves the honour of immediately representing the same to your Lordships.

We offer no apology to your Lordships for the great length of this discussion, humbly conceiving that the importance of the general principle, and the magnitude of the particular case, will be our sufficient justification. If, however, in the course of our remarks, any expressions may have escaped us which may not appear to have been duly considered, we humbly rely upon your Lordships' candour that you will attribute such expressions to an earnestness arising from our sense of public duty, and not to any want of that deference and respect to which your Lordships, upon all occasions, are so justly entitled.

We have, &c.

(signed) *Wm. Mackworth Praed.*
C. W. Rouse Boughton.
Rd. Dawkins.
Ch. Moore.
Jno. Sargent.
Jno. Anstey.
Jno. Whishaw.
Ph. Deare.
L. Jenkins.

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PAPERS delivered in by *Edward Romilly*, Esq., and *Charles Macaulay*, Esq., 14 July 1856.

SERVICES included in the Estimates for Miscellaneous Civil Services for 1855–6, which are not examined in the Audit Office.

CLASS I.

PUBLIC WORKS AND BUILDINGS.

5. Holyhead Harbour, Roads, &c.
7. Port Patrick Harbour.

CLASS II.

SALARIES, ETC. OF PUBLIC DEPARTMENTS.

1. Two Houses of Parliament.
2. Treasury.
3. Secretary of State, Home Department.
4. Ditto, Foreign ditto.
5. Ditto, Colonial ditto.
6. Privy Council Office, Office of Trade, &c.
7. Lord Privy Seal.
13. Poor Law Schoolmasters.
    Poor Law Medical Relief.
15. Inspectors of Factories, &c.
29. West India Relief Commissioners.
30. Lunacy Commissioners' Expenses.
31. Superintendent of Roads, South Wales.
32. Registrar of Friendly Societies.
    Metropolitan Buildings Office.

CLASS III.

LAW AND JUSTICE.

England.

2. Prosecutions at Assizes and Quarter Sessions (formerly defrayed from County Rates).
3. Chancery; Crown Office Expenses.
5. Queen's Bench, Common Pleas, and Exchequer; Deficiency of Fee Fund.
12. Queen's Prison; Salaries and Expenses.

Scotland.

13. Lord Advocate and Solicitor General; Salaries.
14. Court of Sessions; Salaries and Expenses.
15. Court of Justiciary; Salaries and Expenses.
16. Expenses of Prosecutions carried on under authority of the Lord Advocate.
17. Exchequer, Legal Branch; Salaries and Expenses.
18. Sheriffs and Procurators Fiscal not paid by Salaries, and Expenses of Prosecutions in Sheriff Courts.
19. Procurators Fiscal; Salaries.
20. Sheriffs' Clerks; Salaries.
21. Expenses in matters of Tithes.
23. Commissary Clerk, Edinburgh; Salaries and Expenses.

Ireland.

24. Law Charges and Criminal Prosecutions.

Ireland—continued.

25. Court of Chancery; Salaries and Expenses.
26. Court of Queen's Bench ditto.
27. Court of Common Pleas ditto.
28. Court of Exchequer ditto.
29. Taxing Officers of Law Courts; ditto.
30. Registrars to the Judges; Salaries.
31. Consolidated Writ Office; ditto.
32. Registrar of Judgments; Salaries and Expenses.
33. High Court of Delegates; Fees to Advocates.
34. Insolvent Debtors' Court; Salaries and Expenses.
35. Clerk of Court of Errors; Salary.
36. Police Justices of Dublin; Salaries.

CLASS IV.

EDUCATION, SCIENCE, AND ART.

1. Public Education, Great Britain.
5. Universities, &c., in Scotland.
10. Belfast Theological Professors, &c.
11. British Museum (Establishment).
    Ditto (Purchases).
13. Scientific Works and Experiments.
14. Royal Geographical Society.
15. Royal Society.

CLASS V.

COLONIAL, CONSULAR, AND OTHER FOREIGN SERVICES.

North America.

1. Bermudas.
2. Clergy, North America.

West Indies.

4. Governors and others, West Indies.
5. Justices, West Indies.

14. Ministers at Foreign Courts; Extraordinary Expenses.

CLASS VI.

SUPERANNUATIONS AND CHARITIES.

3. Vaccine Establishment.
4. Refuge for the Destitute.
5. Polish Refugees and Distressed Spaniards.

CLASS VII.

MISCELLANEOUS, SPECIAL, AND TEMPORARY OBJECTS.

2. Ecclesiastical Commissioners.
3. Charity Commissioners (England).
4. Statute Law Commission.
5. Civil Service Commission.

(*continued*)

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MISCELLANEOUS, ETC.—*continued.*

7. Patent Office (Salaries, &c.).
9. Trustees of Manufactures (Scotland).
11. Bounties on Slaves.
12. Brehon Laws (Ireland); Publication Expenses.
13. Process Servers (Ireland); Expenses.
14. Merchant Seamen's Fund.
17. Local Dues under Treaties of Reciprocity.
18. Inspectors of Corn Returns.
20. Quarantine Expenses.
21. Revising Barristers (England and Wales).
22. Police at the Camp (Aldershott).
23. Burial Grounds Inspection (Expenses).
27. Carisbrook Castle (Isle of Wight) Repairs.
32. Spurn Point (River Humber) Works.

MISCELLANEOUS, ETC.—*continued.*

33. Menai Navigation.
34. Professors at Cambridge.
37. National Gallery (Ireland).
39. Australia Expedition.
40. Monument at Scutari.

CLASS VIII.

3. Agricultural Statistics.
4. British Historical Portrait Gallery.
8. Clerk of Justiciary (Scotland); Compensation for Surrender of Rights.

Civil Contingencies.

SUMMARY, 1855-6.

	£.
Examined in the Audit Office	9,184,500
Not examined in the Audit Office	2,081,197
Portion only examined in the Audit Office	63,695
Total Estimate for Civil Services	£. 11,329,392

ARMY ESTIMATES, 1855-6.

Effectives	11,764,921
Non-effectives	1,956,237
Total	£. 13,721,158

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TO

REPORT

FROM THE

SELECT COMMITTEE

ON

PUBLIC MONIES.

Ordered, by The House of Commons, *to be Printed,*
21 *July* 1856.

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3. Approval of Book-keeping by Double Entry.
4. Increased Check advisable in regard to the several Departments.

I. *Army, Ordnance, and Commissariat:*

1. Lapse of Time (Thirteen Months) before final Preparation; Necessity thereof:

Longer time allowed for the preparation of the army, ordnance, and commissariat accounts than for the naval accounts, *Anderson* 2085——Impossibility of a finally appropriated army account immediately after the termination of the year, *ib.* 2085, 2086.

Impracticability of navy or army accounts being made up under different heads until all the imprest accounts for foreign and home expenditure have been adjusted, *Haffay* 2516. 2519. 2558-2561——Considerable lapse of time before any misappropriation of the army or navy vote would, as now accounted for, appear before Parliament, *ib.* 2678-2685.

The army, ordnance, and commissariat accounts occupy altogether thirteen months in their collection and preparation before they come to the Audit Board, *Vine* 3662, 3663. 3931. 3947——Reasons why the army accounts cannot be laid before Parliament till thirteen months after the close of the year, though the navy accounts are presented after a lapse of eight months, *ib.* 3903, 3904. 3947-3982——The detailed account, accompanied by a balance sheet, is presented about a month later than the abstract account, *ib.* 3930——The army account for the year 1855-56 has not yet (10 July) been sent to the Audit Office, but will be ready in a few days; this is an exceptional delay, *ib.* 3931-3946. 3944——As being the first year of the war, some delay in the preparation of the accounts has been unavoidable, *ib.* 3933-3935. 3970.

In ordinary years the army accounts are always laid before Parliament some time before 1 June, or about thirteen months and a half after the termination of the service, *Vine* 3936-3940——The presentation of the accounts does not take place till the Estimates for the current year have been voted, *ib.* 3937, 3938. 3960, 3961——The army

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I. *Army, Ordnance, and Commissariat*—continued.

1. Lapse of Time (Thirteen Months) before final Preparation, &c.—*continued.*

accounts not only comprise very few final payments, but are considerably more numerous than the navy accounts, *Vine* 3949. 3970-3980——Nine-tenths of the army expenditure is through paymasters and accountants, there being few final payments in the first instance, *ib.* 3949. 3977-3979.

Examination to the effect that the accounts are now transmitted from abroad with as much despatch as possible, *Vine* 3952 *et seq.*——Exertion necessary at the War Office to complete the accounts within the given time of thirteen months, *ib.* 3952. 3955. 3962——Obstacles to the accounts from New Zealand being transmitted in less time than at present, *ib.* 3957. 3965-3967.

The final army account for 1854-55 has just come in (10 July 1856), *Anderson* 4196.

The accounts at the foreign stations are closed one month after each quarter, *Hollings* 4583, 4584——As a rule, the accounts from abroad up to 31 March arrive at the War Office by the end of October, *ib.* 4585-4588——During the war the home and foreign accounts were of a very heavy character, and have not been received until an unusually late period, *ib.* 4589——The accounts occupy about seven months in transmission to the War department, and six months in their preparation before they are sent to the Audit Board, *ib.* 4591-4593. 4614-4616.

Evidence to the effect that without a largely increased staff the complete examination and preparation of the accounts in the War Office cannot be accomplished in less than six months, *Hollings* 4594 *et seq.*——Efforts made to complete the examination at the earliest possible period, *ib.* 4594. 4597. 4608——Reference to a peculiarly heavy account for the London recruiting service; this account was not received in the War Office till twelve months after its date, *ib.* 4599. 4618-4622.

2. Question as to the expediency of a less complete Annual Account:

A provisional account made up as closely as possible, as well as the final account, might, if deemed advisable, easily be prepared, *Anderson* 2086, 2087——Inexpediency of making up the army account for Parliament at the end of the financial year, or within the same period as the navy account, inasmuch as the accuracy and value of the account would be destroyed, *Vine* 3904-3906. 3912-3919. 3941-3943. 4067-4081——Illustration, as shown by the Ordnance service, of the incorrectness of annual accounts, unless due time be allowed for correction and preparation, *ib.* 4067-4074.

3. More detailed Accounts recommended for Presentation:

Suggestions with a view to the army and navy accounts as now laid before Parliament, under the Act 9 & 10 Vict. c. 92, being rendered in a detailed form, instead of in their present concise shape, *Hoffay* 2636-2638, 2648-2651.

4. Presentation of separate Accounts for each Service:

Separate accounts will be rendered of the army, ordnance, and commissariat, *Vine* 3944, 3945.

5. Inexpediency of Departure from the Plan of Naval Accounts:

With regard to the variation in the form of the abstract books of the army accounts, the same has rendered the audit more difficult, though not less accurate, *Vine* 3826-3848. 3852-3856.——Witness, who laid the foundation of the naval ledger, some twenty-five years ago, is strongly opposed to any departure by the war department from the plan of naval accounts, *Anderson* 4142-4150——Originally the books in the War department, as framed by witness, were precisely similar to the naval books, *ib.* 4145, 4146.

6. Consolidation recommended of the Books of the Ordnance and War Office:

Concurrence in objections to separate books and accounts for the army at the Horse Guards and the ordnance at Pall Mall; importance of an immediate fusion of accounts under one roof, *Vine* 3860-3888——In the year 1856-57, a consolidation of the books of the army and ordnance is peculiarly desirable, as the consolidation of the departments then commences, *ib.* 3946——It is very desirable that but one set of books should be kept for the ordnance and army, as consolidated services, *Anderson* 4151-4154.

II. *Navy:*

1. Lapse of Time (Eight Months) before final Preparation:

Explanation as to the time taken in the preparation and before the presentation of the naval accounts, *Anderson* 2055-2060, 2085-2087——Lapse of about two years before any transaction taking place in June appears before Parliament in the naval account, *ib.* 2055-2060——The navy are allowed eight months for the preparation of their account, *ib.* 2055. 2085; *Vine* 3666, 3667. 3947——Much greater facilities for getting in the navy than the army accounts, and for getting them ready sooner, *Vine* 3903, 3904. 3947 *et seq.*

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II. *Navy*—continued.

2. Successful Working of the System of Accounts:

Great efficiency of the navy accounts during the war, in consequence of the improved system of late years, *Anderson* 1304——Inexpediency of any variation in the form of navy accounts, the system being at present quite perfect, *Vine* 3852–3856——Successful conduct and audit of the naval accounts, without delay, during the war, *ib.* 3852–3855. 3890——The system is capable of any expansion, *ib.* 3852. 3910, 3911.

III. *Exchequer:*

1. Recommendations, in 1831, of the Commissioners of Public Accounts:

Recommendation in the First Report of the Commissioners of Public Accounts in 1831 as to the system of record and account suitable for the new arrangements of the Exchequer, *App. p.* 466——Recommendation that the system of double entry be introduced for keeping the accounts, *ib.*——Recommendation that the Exchequer periodically make up accounts and send the same to the Treasury, *ib.*——Recommendation that the ledger should be balanced monthly, *ib.*

Recommendation of the Commissioners that annual accounts be made of all revenue received, all monies paid into the Bank of England, &c., and to what services the expenditure has been applied, *App. p.* 466——Recommendation that the credits given to the Exchequer for different years should, to prevent obscurity, be kept separately, *ib.* ——Recommendation that all credits for expenditure given to the Exchequer be cancelled after nine months, if not applied for, *ib.*

2. False Principle of Account; Interference with the Pay Office and Treasury:

Objectionable principle in the twenty-fourth clause of the Exchequer Regulation Act, that the Treasury accounts of expenditure shall be founded upon Exchequer credits, and not upon actual payments, *Anderson* 1402——Faulty system, whereby Exchequer credits are considered by the Exchequer as final issues or payments, though not actually such, *ib.* 1551–1553. 1603——Defective principle of the twenty-fourth clause of the Act further adverted to with reference to Exchequer credits, *ib.* 1553–1555. 1603——Illustration of the expediency of altering the system of making up the public accounts from credits, instead of from actual payments, *ib.* 1603.

False principle upon which, notwithstanding recent improvements, the Treasury accounts are obliged to be formed on account of the necessity of adherence to the Exchequer system of accounts, *Anderson* 1800 *et seq.*——The whole principle of double entry cannot be properly adopted on account of the necessity of adhering to the Exchequer basis of account, *ib.* 1801, 1802——Further evidence to the effect that the Exchequer system of treating as a payment every credit or transfer to the account of the Paymaster-general is decidedly objectionable, and leads to much misrepresentation, *ib.* 1807–1841——Confusion of accounts shown by the Exchequer issue and expenditure of 1,400,000 *l.* at the end of March, whereas the expenditure really took place in the following quarter; how this might be amended, *ib.* 1824–1827. 1833, 1834. 1840–1851.

Uselessness to the Treasury, in making up the annual accounts, of the accounts furnished by the Exchequer; pending inquiry in the matter, *Anderson* 2238——The specific credit system necessitates the keeping of two distinct sets of accounts at the Pay Office, one to show how the vote is going in credit, and the other to show how it is going in expenditure, *Hoffay* 2583, 2584; *Anderson* 3518–3526——Different mode of account necessary if the payments to the cash accounts were at once transferred to the Exchequer, *Hoffay* 2596–2609——Inconvenience and uselessness of the system in the Pay-office of splitting up the cash account in order to square exactly with the Exchequer system of credits for specific heads of service, *Anderson* 3516–3528.

3. Defence of the System by the Comptroller-General:

Impression that Mr. Anderson does not complain that the Exchequer system of accounts is imperfect, but that it clashes with the different system of the Pay Office, *Right Hon. Lord Monteagle,* 3287, 3288——Perfect system of double entry pursued at the Exchequer, *ib.* 3287——Impracticability of keeping the Exchequer accounts on a different system, or of treating the issues other than as payments, *ib.* 3288, 3289. 3297–3300——Adherence to the principle of appropriation far outweighs the advantage of a greater simplicity of accounts, *ib.* 3285, 3286——Opinion that the Exchequer system of account does not necessarily prevent the paymaster from keeping his accounts in the form most approved by him, *ib.* 3289–3296.

IV. *Pay Office:*

1. Reference to Treasury Regulations in 1834, 1836, and 1848:

Regulation in Treasury Minute of September 1834 in regard to the cash account and the Exchequer credit account, *App. p.* 476, 477.

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1. Reference to Treasury Regulations in 1834, 1836, and 1848—*continued.*

Sundry regulations in Treasury Minute of 19 August 1836, *App. p.* 491-499——Further regulations for the guidance of the office and for the conduct of the accounts in Minute of 19 November 1836, *ib.* 499-501.

Directions in detail in the Treasury Minute of 22 December 1848 relative to the accounts of the Exchequer and Pay Office, *App. p.* 511, *et seq.*——Recommendation in Treasury Minute of 22 December 1848 that the whole of the accounts be kept by double entry, *ib.* 527.

2. Objections to the System and Practice of Account:

Confusion of accounts through the consolidation of the Pay-offices, *Right Hon. Lord Monteagle*, 575, 576——Equal necessity of separate accounts under one as under three paymasters, *ib.* 3092.

Review by Lord Monteagle, in his Memorandum of 1854, of the general system of the Exchequer and Pay Office, with suggestions as to the proper mode of keeping the accounts, *App. p.* 537, *et seq.*——Statement in the Memorandum that there is a total absence of all conformity between the actual payments and the Exchequer accounts, consequent on following the principle of the Treasury Minute of 22 December 1848, *ib.* 543.

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3. Evidence in favour of the System:

Very perfect system of accounts in the Pay Office; the most approved form of double entry is applied, *Anderson* 1260-1269. 1354——Witness has never known a single item go to the wrong account, *ib.* 1263——Reference to and examination upon the Paymaster's books, in which the payments are recorded after they are made, *ib.* 3368 *et seq.*——Explanation that the branch accounts, as in the Paymaster's books, do not appear in the account at the Bank, and are not controlled by the Exchequer, *ib.* 3511-3516.

Remarks by Mr. Anderson as to the multiplied risks and increase of labour if the plan proposed in the Exchequer Memorandum of 1854 were adopted, *App. p.* 559——Statement by Mr. Anderson that the errors pointed out in Lord Monteagle's Memorandum did not exist in the Pay Office books, *ib.*

V. *Generally:*

1. Recommendations, in 1831, of the Commissioners of Public Accounts:

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2. Improved Accounts of late Years:

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Statement, in Treasury Minute of 2 March 1855, as to the improved daily and weekly accounts to be rendered by the Banks of England and Ireland, *App. p.* 583-586.

3. Approval of Book-keeping by Double Entry:

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Regulations, in Treasury Minutes of September 1834, August 1836, May 1837, and December 1848, in favour of the system of book-keeping by double entry, *App. p.* 476. 489. 492.

4. Increased Check advisable in regard to the several Departments:

Any imperfection in the naval or military departmental form of accounts does not come within the interference of the Audit Board, *Vine* 3849, 3850——Each department should

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4. Increased Check advisable in regard to the several Departments—*continued.*

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See also *Adjustment of Accounts (Pay Office). Appropriation. Audit. Balances*, 7. *Brooksbank, The late Mr. Exchequer*, 9. 14, 15. *Finance Accounts. Pay Office. Sargent, Mr. Transfers between Departments. Woods and Forests, Office of*, 4. *Works, Office of.*

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Acquittance (Exchequer):

1. *Statement by the Comptroller-general in disapproval of the Discontinuance of this Form.*
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1. *Statement by the Comptroller-general in disapproval of the Discontinuance of this Form:*

Explanation as to the form of acquittance given till recently by the Exchequer on the receipt of monies; one of these forms handed in, *Right Hon. Lord Monteagle* 13, 14. 3107—— Disadvantage under the present system in the acquittance being dispensed with, *ib.* 14——The acquittance might be restored without any possible inconvenience, with some advantage to the public, and a clear benefit to the accountant, *ib.*

Further explanation as to the acquittance formerly given by witness to any party paying money into the account of the Exchequer at the Bank of England, *Right Hon. Lord Monteagle* 469-471——Examination as to the practical utility of this acquittance, inasmuch as the party paying the money gets a receipt from the Bank; reasons, nevertheless, in favour of a direct acquittance from witness, *ib.* 471-487——The acquittance is in fact a check upon witness's accounts, *ib.* 477. 484——The Irish payments are all upon acquittance, *ib.* 482——Some of the parties paying have complained of being deprived of the acquittance, *ib.* 484.

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Advantage in case of private payments of the Exchequer acquittance over that given by the Bank, the former being a more explanatory discharge, *Right Hon. Lord Monteagle* 3107-3109. 3114-3119——The bank receipt merely states the sum in gross, without particulars as to dates or items, *ib.* 3107. 3116-3119——The bank receipt is a full acquittance in the case of revenue payments, and is in such cases an improvement on the Exchequer form, *ib.* 3107. 3112 3114——Question as to witness not being still compellable by law to give these acquittances if required, *ib.* 3107. 3110-3112——Doubt whether the power of the Treasury to make regulations in respect to the Exchequer acquittance would enable them to dispense with the document altogether; by a new law, however, they have the latter power, *ib.* 3107. 3110-3112.

2. *Explanatory Statement on the part of the Treasury:*

Reasons for the discontinuance of the Exchequer acquittance or receipts given to Receivers-general; it was useless, inasmuch as the final acquittance is necessarily given by the Audit Board, *Anderson* 2234-2237——The Exchequer acquittance was in fact merely an intermediate voucher to the Board of Audit, *ib.* 2234.

3. *Suggestion in the First Report of the Commissioners of Public Accounts in* 1831:

Recommendation in the First Report of the Commissioners of Public Accounts in 1831, of the course to be pursued in paying in money, and the legal discharge for such payment, *App. p.* 460.

4. *Directions in Treasury Minutes of September* 1834 *and September* 1855:

Form of acquittance as approved by the Treasury in Minute of September 1834, *App. p.* 484——Treasury Minute, dated 25 September 1855, relating to Exchequer acquittances and specifications, *ib.* 587, 588——Statement in the Minute as to the power of the Treasury to make regulations, *ib.* 587——Reference in the Minute as to the object of acquittances, *ib.* 588.

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Act 4 *Will.* 4, *c.* 15. The Act of 1834 may be considered the governing statute which now regulates the Exchequer, *Right Hon. Lord Monteagle* 4, 5——The duties formerly vested in the Auditors of the Exchequer and Clerk of the Pells were, by the Act of 1834, continued provisionally, and transferred to the office of Comptroller, *ib.* 5——Foundation of the Act of 1834 upon the Report of the Commission on the Exchequer in 1831, *ib.* 6——Improved arrangements generally under the Act of 1834, as recommended by the Commissioners of 1831, *ib.* 986, 987——Exceptions in which the Act did not adopt the recommendations of the Commissioners, *ib.* 988, 989. 1009–1013.

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Adjustment of Accounts (*Pay Office*). Care is taken that every account of the Paymaster-general is, if possible, in credit at the close of the month, *Anderson* 1593——In the event of the account being overdrawn, the advance is adjusted on the following day, or on the next issue, *ib.* 1733. 1994, 1995.

Any excess of payment over the daily Exchequer credit is always set right at the end of the month, but is not adjusted on the following day unless the sum in excess be material, *Hoffay* 2456–2467——There would be no difficulty in adjusting within a day or two any issue in excess of a particular credit, *ib.* 2472–2476——When overdrawn, the account might always be adjusted the next day, but when underdrawn, not until further orders for payment come in, *ib.* 2488–2492——Practice not to allow the variation between the credit and expenditure to extend to any very considerable amount, *ib.* 2579–2581.

Doubt as to the advances from one service to another being rectified so regularly as stated by Mr. Hoffay, *Right Hon. Lord Monteagle* 2830——Question as to the expediency of a law sanctioning transfers from one service to another for a day or any specified limited period; this, however, would be perfectly consistent with Exchequer control, *ib.* 2833–2841. 2888, 2889——The present system is one of unauthorised advances and of rectification of accounts, *ib.* 2907 *et seq.*——Further objections to the system of adjustment and rectification of accounts, more especially with reference to the possibility thereby of payments in excess of votes, *ib.* 3093–3100.

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APPROPRIATION:

I. *Evidence on the part of the Exchequer:*

1. Generally as to the illegal and highly reprehensible Practice of the Treasury and Pay Office.
2. Proof of the Practice of Misappropriation.
3. Instances of attempted Misappropriation, and of Exchequer Control.
4. Opinion as to the practicability of strict Appropriation in the Pay Office.
5. Exchequer Memorandum of 1854.
6. Practice of the Exchequer in issuing for the Army, Navy, and Ordnance.

II. *Evidence on the part of the Treasury and Pay Office:*

1. Question as to the correctness, legally, of Lord Monteagle's views.
2. Impracticability of strict Appropriation in the Pay Office.
3. Inadequacy of the Exchequer as a means of ensuring Appropriation.
4. Instances in 1852 of departure from Appropriation, so termed; Explanation thereof.
5. Improved Regulations generally since 1830.
6. Amended system suggested by Mr. Anderson.

I. *Evidence on the part of the Exchequer:*

1. Generally as to the illegal and highly reprehensible Practice of the Treasury and Pay Office:

Illegality of payments out of the Exchequer, unless made by a direct vote of Parliament, or charged by Act of Parliament upon the Consolidated Fund, *Right Hon. Lord Monteagle* 108, 109——High misdemeanor of the Treasury or Paymaster-general if,

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APPROPRIATION—continued.

I. *Evidence on the part of the Exchequer*—continued.

1. Generally as to the illegal and highly reprehensible Practice, &c.—*cont^d.*

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Illegality in the civil service being made applicable to the three great services, or to the payment of charges on the Consolidated Fund before the payment of such charges has received a legal sanction from the Exchequer, *Right Hon. Lord Monteagle* 2915-2920——Expediency of the issuing warrant being submitted to the Exchequer for examination and approval, and of the credit being issued before the actual payment takes place, *ib.* 2917-2921——Reiteration of former opinion as to the illegality of the practice of the pay-office, *ib.* 3045 *et seq.*——As a general principle, the paymaster cannot or ought not, save out of the Civil Contingencies or the Commissariat Chest account, to pay anything on the miscellaneous votes, unless from the monies issued specifically for the purpose, *ib.* 3059-3063.

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APPROPRIATION—continued.

I. *Evidence on the part of the Exchequer*—continued.

2. Proof of the Practice of Misappropriation—*continued.*

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6. Practice of the Exchequer in issuing for the Army, Navy and Ordnance:

Circumstance under which witness considered himself justified in issuing indiscriminately to the three great services the amount of their respective votes without inquiring

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APPROPRIATION—continued.

I. *Evidence on the part of the Exchequer*—continued.

6. Practice of the Exchequer in issuing for the Army, &c.—*continued.*

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II. *Evidence on the Part of the Treasury and Pay Office:*

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2. Impracticability of strict Appropriation in the Pay Office:

Difficulty of a correct daily estimate by the Paymaster, of the services or claims to be met on the following day, *Anderson* 1068——Propriety of considering the Exchequer and Pay-office balances as one in the appropriation of the money, *ib.* 1068, 1069. 1080 ——Necessary departure from the strict provisions of the Act, in regard to the issue from the drawing account of monies for services for which there is no Exchequer credit, but which are sanctioned by vote, *ib.* 1069-1080. 1095-1097——Doubt as to greater facility for appropriation when there were several paymasters, *ib.* 1085-1089.

Further reference to the necessary payment through the Pay-office, of large sums which are appropriated, not to the votes, but to the general account, *Anderson* 1375——Illustration of the impracticability of an issue from the Exchequer for each vote, each issue to be applicable only to the special purpose for which made, *ib.* 1286-1292. 1317-1319. 1355-1357——Necessary application of the money issued to the Receiver-general to the special service or department for which issued, *ib.* 1484-1488——Obstacle to the whole of the monies in the Exchequer being retained on the general account till the actual payments are made, *ib.* 1555-1575.

Further statement as to the issues when once written into the drawing account, being applicable indiscriminately to any services which are called for on that day, *Anderson* 1577-1579. 1586-1590——Impracticability of fully carrying out the principle of appropriation in the Pay-office, further contended, *ib.* 1733 *et seq.*——It would not do to refuse payment because a wrong estimate had been made, *ib.* 1733. 1994——General practice of the Pay-office in regard to the temporary employment for one purpose, of monies drawn for another service, *ib.* 1994-1998——The practice of the Pay-office as complained of by Lord Monteagle, really commenced in 1836, *ib.* 2258-2260.

Impossibility of accurately estimating the amount that may be required on the following day in regard to the certain charges on the Consolidated Fund, *Hoffay* 2502-2506. 2581.

Remarks by Mr. Anderson in his Memorandum of 1854 as to the Paymaster-general's demands being limited to the sums required for his daily payments, and as to the impracticability of strict appropriation, *App. p.* 555, 556.

3. Inadequacy of the Exchequer as a means of ensuring Appropriation:

Evidence to the effect that the Exchequer can exercise no practical check whatever upon the final appropriation, *Anderson* 1019. 1030-1046, *Hoffay* 2707, 2708——Inefficiency of the Exchequer control inasmuch as though it prevents an undue issue, it does not in any way extend to the final appropriation, *Anderson* 1030-1046. 1055, 1056. 1070-1075——Bar to an efficient Exchequer check, on ancount of the impossibility of appropriation at the time of issue, *ib.* 1094-1097——Practical difficulty in the way of useful Exchequer control over the application or final appropriation, *ib.* 1357-1365.

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APPROPRIATION—continued.

II. *Evidence on the part of the Treasury, and Pay Office.*—continued.]

3. Inadequacy of the Exchequer as a means of ensuring Appropriation—*cont^d.*

Statement by Sir Charles Trevelyan, in 1848, that the office of Comptroller-general of the Exchequer by no means increases the security for the due appropriation of the public money, *App. p.* 508.

Remarks by Mr. Anderson, in 1854, as to the impracticability of Exchequer control over the appropriation, *App. p.* 555–558.

4. Instances, in 1852, of Departure from Appropriation, so termed; Explanation thereof:

Particulars relative to sundry instances, in 1852, in April and in following months, of accounts being overdrawn in anticipation of Exchequer credits, *Anderson* 3434 *et seq.*——All those services, the accounts of which were overdrawn beyond the Exchequer issue, had credits in the Exchequer, and in no instance were overdrawn in excess of the vote of Parliament, *ib.* 3461–3464. 3513. 3516. 3567. 3577——Disturbing cause, in 1852, which rendered the issues unusually late in April, *ib.* 3529. 3596. 3597——The real cause of not drawing on the Exchequer more promptly was, that the Paymaster had a considerable balance in hand on deposited accounts and the cash account, which was incumbent on him in the first instance to exhaust, *ib.* 4108–4111. 4115, 4116.

5. Improved Regulations generally since 1830:

Remarks by Mr. Anderson, in his reply to Lord Monteagle's Memorandum of 1854, as to the improvements introduced since 1830, in regard to the constitutional control and legal appropriation of the public monies, *App. p.* 553.

6. Amended System suggested by Mr. Anderson:

The appropriation should be against the annual vote, and not against the daily credit, *Anderson* 3516, 3517. 3532 *et seq.*——The appropriation in anticipation of payments should be done away with, and should be founded on the actual payments, *ib.* 3532. 3556. 3593——At the close of each day the actual appropriation should be charged against the votes upon the actual issues, subject to a system of concurrent audit, *ib.* 3532–3537——This plan might be adopted without disturbing the existence of the Exchequer, *ib.* 3532. 3588——Under the proposed system of aggregate issue and daily concurrent audit, there would be at least as much security as at present against over-payment or improper application, *ib.* 3541 *et seq.*

See also *Adjustment of Accounts* (*Pay Office*). *Audit. Balances. Control. Co-operation. Exchequer. Foreign Expenditure. Imprests. Parliamentary Control. Pay Office. Treasury*, 2. *Unappropriated Votes. Unexpended Balances. Ways and Means. Wellington, Duke of* (*Funeral Expenses*). *Woods and Forests, Office of.*

Appropriation Audit. See *Audit.*

ARMY:

I. *Accounts:*

1. As to the Time taken in their Preparation.
2. As to the Presentation of a different Form of Accounts.
3. Inexpediency of Departure from the Navy System.
4. Recommended Consolidation of the Army and Ordnance Books.

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1. Generally, as to the System of Appropriation Audit.
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3. Transfer recently of the detailed Adult of certain Services to the War Department.
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1. As to the general Check upon Expenditure.
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4. Vote for 1855-56; Balance unexpended.
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I. *Accounts:*

1. As to the Time taken in their Preparation:

One year is allowed to collect the accounts from all parts of the world to examine them, and record them; and one month for their preparation for Parliament, *Vine* 3662. 3963, 3964; *Hollings* 4583–4591——Evidence explanatory of the necessity of so

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ARMY—continued.

I. *Accounts*—continued.

1. As to the Time taken in their Preparation—*continued.*

considerable a period before the accounts are received from abroad, and are prepared and audited at home, *Anderson* 2085, 2086; *Hoffay* 2516. 2519. 2558-2561; *Vine* 3903, 3904. 3933-3982; *Hollings* 4594, *et seq.*

2. As to the Presentation of a different Form of Accounts:

A provisional account made up as closely as possible, as well as the final accounts, might, if deemed advisable, be easily prepared, *Anderson* 2086, 2087——Suggestion with a view to the army and navy accounts as now laid before Parliament under the Act 9 & 10 Vict. c. 92, being rendered in a detailed form, instead of in their present detailed shape, *Hoffay* 2636-2638. 2648-2651——Inexpediency of making up the army account for Parliament at the end of the financial year, or within the same period as the navy account, inasmuch as the accuracy and value of the accounts would be destroyed, *Vine* 3904-3906. 3912-3919. 3941-3943. 4067-4081.

3. Inexpediency of Departure from the Navy System:

With regard to the variation in the form of the abstract books of the army accounts, the same has rendered the audit more difficult, though not less accurate, *Vine* 3826-3848——Witness, who laid the foundation of the naval ledger, some twenty-five years ago, is strongly opposed to any departure by the War Department from the plan of naval accounts, *Anderson* 4142-4150——Originally the books in the War Department, as any framed by witness, were precisely similar to the naval books, *ib.* 4145, 4146.

4. Recommended Consolidation of the Army and Ordnance Books:

Concurrence in objections to separate books and accounts for the army at the Horse Guards and the Ordnance at Pall Mall; importance of an immediate fusion of accounts under one roof, *Vine* 3860-3888——In the year 1856-57 a consolidation of the books of the Army and Ordnance is peculiarly desirable, as the consolidation of the departments then commences, *ib.* 3946——It is very desirable that but one set of books should be kept for the Ordnance and Army as consolidated services, *Anderson* 4151-4154.

II. *Audit of Accounts:*

1. Generally as to the System of Appropriation Audit:

Explanation of the detailed system adopted by the Audit-office in their examination of the army accounts; care taken that proper heads of accounts are observed, *Vine* 3305 *et seq.*, 3712 *et seq.*; *Anderson* 3625-3632; *Romilly* 4374, 4375. 4533-4539. 4577-4580; *Macaulay* 4513. 4565——Check upon incorrect entries being made in the books, and ticked off as correct by the officers of the department, *Vine* 3719-3728. 3764-3768——The objections raised by the audit officers are generally against the entry of charges under wrong heads, and are always made in writing, *ib.* 3729-3733.

Nature of the record or check, which shows that the accounts of the departments have been audited up to a given point and date, and by particular officers, *Vine* 3734-3755——The monthly report shows the date to which the audit has extended, *ib.* 3734. 3736. 3754——Statement as to the audit officers not making any memoranda, or recording their signatures in the books of the department, *ib.* 3737. 3749——Dependence necessarily on the good faith of the officer deputed by the Board to audit the departmental accounts, *ib.* 3756-3763——Until the final accounts are made out, the auditors cannot say or report whether any particular vote for the army is exceeded, *ib.* 3778-3785.

Duty of the appropriation audit of the army and navy accounts to see that the sums are posted under the proper heads of the votes, and to report thereon, *Romilly* 4374, 4375——Expediency of an independent audit in the matter of all expenditure affected by rules emanating from the Treasury or from Parliament, *ib.* 4389-4393——Impossibility of an adequate check by means merely of an appropriation audit, *ib.* 4392, 4393——Means of furnishing information with respect to objections raised by the Audit-office examiners of naval or military accounts; no special query book is kept, *Romilly* and *Macaulay* 4500-4503.

Further evidence in explanation of the appropriation audit, as carried out at the Admiralty and War-office by the inspectors and clerks of the Audit-office, *Romilly* 4533-4539. 4564. 4577-4580——Statement as to the Commissioners of Audit vouching for the correctness of those accounts, though their officers have not inquired into the detailed expenditure, *ib.* 4531. 4541-4545.

Memorandum by Mr. Romilly, dated 24 July 1856, showing distinctly what the duties are which the auditors are called upon to perform in regard to the army and navy accounts, and the way in which they are performed, *Ev. p.* 441-443.

Care taken by the Audit Board officer attached to the War Department that there is full evidence of a complete examination by the officers of the department, *Macaulay* 4513. 4565; *Hollings* 4601. 4640. 4645-4647——Power of the independent Audit officer to inspect

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II. *Audit of Accounts*—continued.

1. Generally as to the System of Appropriation Audit—*continued.*

inspect vouchers; as a rule, he does not, and in fact could not do so, *Hollings* 4601, 4602——Statement to the effect that the auditor is bound to notice any departure from the terms of the Appropriation Act, *ib.* 4635, 4636——Harmonious working of the War-office and Audit Board, *ib.* 4368, 4369——There is but one audit clerk permanently attached to the department, the audit inspector paying only occasional visits, *ib.* 4646.

Manner in which the auditor's reports in the departments are reported to the Audit Board and acted upon, *Hoffay* 2710–2712——Any payment which did not appear to be properly chargeable against the vote would be represented to the Audit Board, *Vine* 3309. 3316——The Audit Board would have no action unless improper payments are represented by their officers, *ib.* 3318——Practice of the Audit Board to report irregularities to the Treasury unless they are at once corrected by the department, *ib.* 3621. 3695–5697. 3772–3777——Monthly reports made to the Audit Board by their inspector at the War-office, *ib.* 3714. 3734——Report by this officer direct to the Audit Board, *Romilly* 4215——Steps taken before any item questioned by the auditor is referred to the Audit Board, *Hollings* 4637.

Doubt whether the Board of Audit will feel justified in putting in the paymaster's books the expenditure for army effectives and non-effectives, on the proposed certificate of the Secretary of State for War, *Romilly* 4381, 4382. 4386, 4387——Under the contemplated arrangement, the Secretary of State will in fact be the auditor of the non-effectives and part of the effectives, *ib.* 4382——Opinion that an independent detailed audit is not necessary with respect to that portion of the army expenditure which depends entirely upon rules emanating from the head of the department, *ib.* 4388–4390——There is no Treasury check upon irregular payments being made on the sanction of the War Minister, *Hollings* 4630–4633——Check upon such payments through the intervention of the auditor and inspector from the Audit Board, *ib.* 4634–4637.

2. Disadvantage of a Transfer of the detailed Audit to the Audit-office:

Inconvenience and delay if the army accounts were audited at the Audit-office, *Vine* 3715–3718——Advantage in some respect if there were a more searching appropriation audit at the War-office; on the whole, however, the change is not desirable, *ib.* 3823–3825. 3857, 3858.

More efficient check if the army and navy accounts were to be sent to the Audit-office, *Romilly* 4425. 4430——This check, however, would involve increased delay and expense, *ib.* 4429. 4430——A detailed audit by the Audit-office should extend to such portion only of the naval or military expenditure as may be regulated by the rules of Parliament or of the Treasury, and not of the Secretary of War, *ib.* 4431. 4452——Reasons opposed to a detailed audit of the main portion of the accounts or expenditure of the naval and military departments, *ib.* 4431. 4445–4452. 4456–4462.

Large increase of staff required if a detailed audit of these accounts were undertaken by the Audit-office, *Macaulay* 4566–4568——Inexpediency generally of a detailed examination by the Audit-office, instead of by the naval and military departments, *ib.* 4566. 4568——Immense delay before the accounts could be finally completed, if there were a second detailed audit, *Romilly* and *Macaulay* 4569–4575.

3. Transfer recently of the detailed Audit of certain Services to the War Department:

Evidence explanatory of the removal of the detailed audit of certain accounts besides that of the Commissariat from the Audit-office to the War-office, *Vine* 3788–3822. 4057–4066——Transfer of the non-effectives of the army to the War-office detailed audit, *ib.* 3791–3793; *Romilly* 4379–4381——Transfer from the detailed audit of the Audit-office of portion of the accounts of the effective services of the army, *Vine* 3794–3801. 3810. 3816–3819; *Romilly* 4382——As regards the pensions and half-pay, the detailed audit was till lately conducted by the Audit-office, *Macaulay* 4453, 4454.

4. As to the detailed Audit now conducted by the Department:

The detailed audit of the army and navy accounts is at present conducted entirely by the departments, independently of the Audit Board, *Romilly* 4023–4027. 4032–4034. 4504 *et seq.* 4563. 4576——Respects in which it may be considered that the War-office has as great an interest as the Audit-office in carrying out a correct detailed audit, *ib.* 5417–4529. 4532.

Comparatively inexperienced examiners at present in the War Department, *Hollings* 4606. 4613——Arrear in the examination consequent upon the war, *ib.* 4606. 4613. 4616——Number of clerks now engaged as examiners at the Horse Guards and Pall Mall, *ib.* 4617——The examiner would not consider it his duty to refuse to pass any payment ordered by the Secretary-at-War, even though inconsistent with the Treasury Regulations, *ib.* 4627–4629. 4632——Illustration of the minute examination to which accounts are subjected by the auditors of the department, *ib.* 4640–4644.

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III. *Other Evidence generally:*

1. As to the general Check upon Expenditure:

Responsibility of the Minister for War for the proper expenditure of certain army supplies according to vote, *Anderson* 1971–1979——Sanction of the Treasury required in regard to deviations from the Army Estimates as to buildings, &c., *ib.* 1973. 1979–1982——Parliamentary check upon the expenditure through the War Minister; check also through the Audit Board, *ib.* 1975–1979——Payment by the Paymaster-general of portion of the army expenditure on the authority of Royal warrants, *ib.* 2213, 2214——Practice of the Pay-office, &c. in regard to interests to the agents of regiments, *ib.* 2213.

Excess of expenditure over the Army vote for 1847–48, *Hoffay* 2514——Payment by the Paymaster-general merely as bankers so long as anything remains to the credit of any vote, *ib.* 2516. 2519–2532. 2538——Last year the War Departments took their votes separately, but expended them unitedly, *Anderson* 3616–3618. 3639——Any excess of the aggregate of these votes would only be made known to Parliament when the final accounts are presented, *ib.* 3618. 3628. 3634–3636——Difficulties, through exchange of services, which have prevented strict appropriation of these votes in the Pay-office, *ib.* 3619–3626——Separate accounts will be rendered of the Army, Ordnance, and Commissariat, *Vine* 3944, 3945.

Question as to the propriety of a supplemental vote for the army for 1855–56, as well as for the navy, instead of the former being fed by the vote of credit, *Vine* 4026. 4039–4056——With regard to the army services, the Appropriation Act states, in the first place, that there shall be so much granted, and then subdivides the amounts under the different votes, *ib.* 4107——There is no large deficit on the final army account for 1854–55, *Anderson* 4196.

Statement in the First Report of the Commissioners of Public Accounts, in 1831, of the manner in which money is issued by the Exchequer for the use of the army, *App. p.* 462——Directions in Treasury Minute of August 1836 relative to the issues by the paymaster for the army, *ib.* 492 *et seq.*——Regulations in Treasury Minute of August 1836 in regard to payments for army services, Ireland, *ib.* 493, 494.

Correspondence between the Comptroller of the Exchequer and the Treasury in 1842, on the legality of consolidating army votes in one Royal Order, with case and opinions thereon of the law officers of the Crown, *App. p.* 678–681.

2. Extraordinary Expenses:

Account showing that the Army Extraordinaries have ceased altogether since 1832, *Right Hon. Lord Monteagle* 229——Memorandum by Mr. Anderson, dated in 1840, relative to the account of Army Extraordinaries, *App. p.* 589.

Gross payments and receipts of Army Extraordinaries, from 1 April 1833, when the annual vote was discontinued, till 1838, *App. p.* 590——Abstract showing the excess of payments above receipts in the years 1834–38, *ib.*

Royal warrant, dated 27 June 1847, to apply sums applicable to extraordinary expenses of the army, pursuant to Treasury warrants, *App. p.* 608.

3. Non-effective Services:

Payment upon Royal warrant of the non-effective army services, *Anderson* 2214——Transfer from the Audit Office of the detailed audit of the non-effective services of the army, *Vine* 3791–3793; *Romilly* 4379–4381——The army non-effectives for 1855–56 not subject to a detailed Audit-office check, amount to 1,956,237 *l.*, *Romilly* 4455, and *App. p.* 844.

Recommendation in the Treasury Minute of 22d December 1848 as to the modes of paying army non-effective services, *App. p.* 515. 526.

4. Vote for 1855–56; Balance unexpended:

Reference to the non-expenditure during the year of a considerable portion of the total of the army vote, *Anderson* 3645–3648——The whole of the vote was 18,789,532 *l.*, *ib.* 3645——The total issue from the Exchequer was 17,395,059 *l.*, *ib.* 3646——Balance of about a million in the Exchequer to the credit of the army at the close of the year 1854–55, *ib.* 3647——The total amount unexpended at the end of the year was 2,389,532 *l.*, a large portion of which will probably revert to the Exchequer, *ib.* 3648.

5. Extra Receipts since 1848:

Statement showing the sums received on account of extra receipts (Army, Ordnance, and Commissariat) for each year since 1848, with the payments made on such accounts to the Exchequer or Pay-office during the same period; total payments to the Exchequer of 1,955,699 *l.* 15 *s.* 2 *d.*; *App. p.* 630.

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III. *Other Evidence generally*—5. Extra Receipts since 1848—*continued.*

Return containing particulars relative to the extra receipts for Army, Navy, and Ordnance in 1855 and 1856, *App. p.* 818, 819.

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Arterial Drainage, Ireland. Statement for the years 1849–55 of sums due, paid, and outstanding under this head, *App. p.* 622.

Assistant Barristers' Salaries, Ireland. Correspondence between the Comptroller-general of the Exchequer and the Treasury in 1851 with respect to a suspended issue for the salaries of assistant barristers in Ireland, *App. p.* 693–697.

Audit:

1. *Efficiency of a proper System of Audit as a Check upon Expenditure.*
2. *Importance of direct Reports to Parliament by the Audit Board.*
3. *Practice in the event of Differences between the Audit Office and the Treasury, or the Departments.*
4. *Means of procuring in due time the Accounts for Audit; Suggestions hereon.*
5. *Inadequacy of any System of Audit as a Check upon Expenditure.*
6. *Recommended Audit of the Miscellaneous and Civil Services, and of all Treasury Accounts.*
7. *Practice in regard to the Appropriation Audit of the Army and Navy Accounts.*
8. *Reports by the Appropriation Auditors to the Board.*
9. *Question as to the Appropriation Audit of Expenditure authorised by the Minister for War.*
10. *Disadvantage on the whole of transferring the Detailed Audit of Army Accounts to the Audit Office.*
11. *Transfer recently of the Detailed Audit of certain Services to the War Department.*
12. *Staff of the Audit Office: their Mode of Appointment and of Payment.*
13. *Present State of the Business of the Office.*
14. *Generally as to the Accounts subject to Audit, and as to the Functions of the Board.*

1. *Efficiency of a proper System of Audit as a Check upon Expenditure:*

The only practical check upon the expenditure is after the money has been applied, *Anderson* 1020. 1058–1062. 1385. 1406——Sufficiency of the present audit check as regards the detailed appropriation in the whole of the navy and military departments, *ib.* 1049–1054. 1058–1062——Restraint generally is best exercised at the time of and after payment, *ib.* 1058–1062——A concurrent audit, as established in the great departments, affords the best system of check, *ib.* 1027. 1058–1062.

Efficiency of the audit control, though no check upon an excess of expenditure in the first instance, *Anderson* 1090–1093. 1113–1116——With an effectual audit, the functions of the Exchequer may well be obliterated, *Anderson* 1113–1116. 2082, 4159 *et seq.*; *Hoffay* 2727–2733——Effectual control by means of a sound system of accounts and a general audit, *Anderson* 1366——An effectual audit is the most stringent of all checks, *ib.* 2012. 2037. 2071–2081——Independent as well as certain and simple character of the audit check, *ib.* 2072–2079——Expediency of the audit after final expenditure; else the check is not final or reliable, *ib.* 2076.

Adequacy of the powers of the Audit Board as a check upon expenditure by the naval and military departments, *Hoffay* 2513. 2516–2518. 2640, 2941. 2652——Power of the auditor to see that no expenditure which should appear in the year is postponed, *ib.* 2641–2647——Power of the Board to see that the expenditure takes place under the proper head of account, *ib.* 2641——Opinion that the Board offers as independent a check as the Exchequer does, *ib.* 2727–2733——Efficient check through means of the detailed accounts laid before Parliament, upon the due appropriation of any large sums voted for army clothing, stores, &c., *Vine* 3920-3930.

2. *Importance of direct Reports to Parliament by the Audit Board:*

A special report by the Audit Board in the event of undue misappropriation would be far preferable to an increased Exchequer control, *Anderson* 2080, 2081. 2121. 2125, 2126.

Circumstance of the audited naval and military accounts being laid before Parliament by the Treasury instead of the Audit Board; the report should be made directly by the latter body, *Romilly* 4398–4401——Main importance of a power in the Board to report directly and as often as they please, *ib.* 4399——Explanation as to, and disapproval of, the repeal of that portion of Sir J. Graham's Act of 1832 which directed that the navy accounts be laid before Parliament direct by the auditors, *ib.* 4400, 4401. 4435–4438.

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AUDIT—continued.

3. *Practice in the event of Differences between the Audit Office and the Treasury, or the Departments:*

Explanation as to the reference to the Treasury in the event of a difference between the Audit Board and the Admiralty as to the classification of items, &c., *Anderson* 2095–2100——Check of the Audit Board in the event of the Treasury directing the payment of naval money into Civil Contingencies, or any other fund; probability of the Audit-office opposing undue Treasury orders adverted to hereon, *Hoffay* 2312, 2313. 2386–2398. 2423–2426——Support generally of the Audit Board by the Treasury in the event of a dispute with any department, *Hoffay* 2401–2403. 2410, 2411; *Romilly* 4467——Instance of the Treasury having decided with the Board against the Admiralty, and of the latter refusing to obey the Treasury, *Hoffay* 2411–2419——The Treasury have always supported the Board in their views of their Parliamentary duty and responsibility, *Vine* 3693.

Exoneration of the Paymaster by the Audit-office if he proceeded in accordance with Treasury directions, *Romilly* 4259–4261——Probable interposition of the Audit Board in the event of the Treasury giving orders contrary to law, *ib.* 4261–4265——Explanatory statement relative to a case in which the Treasury concurred with the auditors against the Admiralty; the latter did not act contrary to any expressed opinion of the Treasury, *ib.* 4562.

4. *Means of procuring in due time the Accounts for Audit; Suggestions hereon:*

Nature of the power vested in the Audit Board in order to compel ordinary accountants to furnish the required information, *Romilly* 4294. 4366–4368——Power, in disuse, of the Board to compel the rendering of accounts by the imposition of fines, *ib.* 4368.

Suggestion that the accountant be liable to fines for delay in rendering their accounts, *Romilly* 4369, 4370. 4551——Opinion that a system of reports to Parliament is the best means of ensuring punctual rendering of the accounts of the great departments, *ib.* 4371. 4551.

Further evidence and suggestions with a view to the prevention of delay on the part of accountants in sending in their accounts, *Romilly* 4551, 4552——It is contemplated by the Audit-office to issue regulations for colonial accountants, *ib.* 4553, 4554.

5. *Inadequacy of any System of Audit as a Check upon Expenditure:*

Practical insufficiency of the audit check on account of the delay before the accounts are rendered to Parliament, *Right Hon. Lord Monteagle* 3121——Defects of the audit system is comprising the correction rather than the prevention of misapplication, *ib.*——Doubt whether the extension of the audit system to the Civil Votes would be an effective check, *ib.* 3136.

6. *Recommended Audit of the Miscellaneous and Civil Services, and of all Treasury Accounts:*

Opinion strongly in favour of extending the system of detailed audit to the Civil Contingencies and Miscellaneous Services generally, *Right Hon. Lord Monteagle* 447, 448. 819–835. 843–846——Concurrence in Mr. Romilly's views that there should be an independent audit in the case of the Treasury accounts and of all votes taken by the Treasury, *ib.* 828–834.

Proof of payment required by the Audit-office as regards naval and military expenditure, but not as regards the miscellaneous service, *Anderson* 1017, 1018. 1020——Decided improvement if the whole of the miscellaneous votes and civil expenditure were subject to the same system of audit as the naval and military expenditure, *Anderson* 2067–2081. 2084; *Romilly* 4394, 4395——Recommendation that the system of appropriation audit be extended to the whole of the miscellaneous and civil services, and to the transactions of the Treasury, *Hoffay* 2635, 2636. 2653 *et seq.*

Objection to an examination of the miscellaneous expenditure by placing an officer from the Audit Board at the Treasury for the purpose, *Romilly* 4396–4398——Importance of the audit of the miscellaneous accounts taking place at the Audit-office, *ib.* 4399.

Remarks by Mr. Romilly in 1850 as to the appropriation of miscellaneous votes not being under the control of Audit Board, *App. p.* 562——Opinion then expressed by him that audit of appropriation should be extended to all branches of expenditure, *ib.*

7. *Practice in regard to the Appropriation Audit of the Army and Navy Accounts:*

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Strict examination by the officer who checks the navy and military accounts, in order to see that the vouchers are in every respect sufficient to warrant their being carried as final payments on account of the vote, *Vine* 3305; *Macaulay* 4513. 4565——Due cognizance taken of each original entry until it is finally recorded in the annual account laid

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7. *Practice in regard to the Appropriation Audit, &c.*—continued.

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Nature of the daily audit to which the army votes have been subjected, *Anderson* 3625-3632——Further explanation of the detailed system adopted by the Audit-office in their examination of the army accounts, *Vine* 3712 *et seq.*——Check upon incorrect entries being made in the books, and ticked off as correct by the officers of the department, *ib.* 3719-3728. 3764-3768——The objections raised by the audit officers are generally against the entry of charges under wrong heads, and are always made in writing, *ib.* 3729-3733.

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Memorandum by Mr. Romilly, dated 24 July 1856, showing distinctly what the duties are which the auditors are called upon to perform in regard to the army and navy accounts, and the way in which they are performed, *Ev. p.* 441-443.

Care taken by the Audit Board officer attached to the War Department that there is full evidence of a complete examination by the officers of the department, *Macaulay* 4513. 4565; *Hollings* 4601. 4640. 4645-4647——Power of the independent audit officer to inspect vouchers; as a rule he does not, and in fact could not do so; *Hollings* 4601, 4602——Statement to the effect that the auditor is bound to notice any departure from the terms of the Appropriation Act, *ib.* 4635, 4636——Harmonious working of the War-office and Audit Board, *ib.* 4638, 4639——There is but one audit clerk permanently attached to the department, the audit inspector paying only occasional visits, *ib.* 4646.

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8. *Reports by the Appropriation Auditors to the Board:*

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9. *Question as to the Appropriation Audit of Expenditure, &c.*—continued.

audit is not necessary with respect to that portion of the army expenditure which depends entirely upon rules emanating from the head of the department, *Romilly* 4388–4390.

There is no Treasury check upon irregular payments being made on the sanction of the War Minister, *Hollings* 4630–4633——Check upon such payments through the intervention of the auditor and inspector from the Audit Board, *ib.* 4634–4637.

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B.

BALANCES:

1. *Inexpediency of large Balances in the hands of the Paymaster-general.*
2. *Importance of strict Appropriation rather than of small Balances.*
3. *Unduly large Balances necessary to carry out strict Appropriation in the Pay Office.*
4. *Means by which Balances may be kept low whilst Appropriation is adhered to.*
5. *Balances of late Years, and previously to the Consolidation of the Pay Office; doubt as to any great Reduction.*
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1. *Inexpediency of large Balances in the hands of the Paymaster-general:*

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1. *Inexpediency of large Balances in the hands of the Paymaster-general*—continued.

Commissioners, showing the strong views expressed therein in favour of a consolidation of balances into one common fund, as now adopted, *Anderson* 1298, 1299. 1305. 1307——Objections made by the Commissioners of 1780 to the system which then existed in the Pay-offices, *ib.* 1299.

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3. *Unduly large Balances necessary to carry out strict Appropriation in the Pay Office :*

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Lord Monteagle's mistaken principle of appropriation involves a very undue accumulation of balances, *Hoffay* 2498. 2502-2507——There would be no necessity to overdraw any accounts if the Paymaster were allowed to have an unlimited balance, *Anderson* 3579——Disadvantage in drawing on the Exchequer when the Paymaster has large balances in hand, *ib.* 3598. 3999.

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Facilities of aid from the Commissariat Chest, and the Civil Contingencies adverted to, as showing that under a strict system of appropriation it would not be necessary for the Paymaster always to keep balances on every separate vote, *Right Hon. Lord Monteagle* 3066–3076——Opportunity of the Treasury or Pay-office to obtain Exchequer credits in a few hours, *ib.* 3066.

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Statement showing that the average Pay-office balance, at the close of each day in the second quarter of 1838, was only 36,750*l.* for the whole service, *Anderson* 3652. 3655, 3656——Average daily balance of 101,000*l.* in the hands of the Paymaster of the Forces, for the quarter preceding the consolidation of the Pay-offices in 1836, *ib.* 3652, 3653——Average daily balance of 52,000*l.*, in the hands of the Treasurer of the Navy, during the same quarter, *ib.* 3652-3657.

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7. *Discrepancy between the Exchequer and Treasury Accounts:*

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1. *Evidence in strong disapproval of the discontinuance of the Warrant, as furnished to the Exchequer.*
2. *Evidence explanatory of its Discontinuance by the Treasury.*
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1. *Evidence in strong disapproval of the discontinuance of the Warrant, as furnished to the Exchequer:*

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EXCHEQUER:

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1. *Generally, as to the present System of Preparation, Issue &c.:*

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N.

NAVY:

1. *Excellent System of Naval Accounts.*
2. *Time taken in their Preparation.*
3. *System of Audit.*
4. *Mode of Repayment to the Paymaster-general.*
5. *Vote for* 1855–56.
6. *Other Evidence generally.*

1. *Excellent System of Naval Accounts:*

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4. *Mode of Repayment to the Paymaster-general:*

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5. *Vote for* 1855-56:

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O.

OLD STORES (*NAVY*):

1. *Present Practice of Repayment objected to.*
2. *Evidence in approval of the Practice.*
3. *Return for the Years* 1848-55.

1. *Present Practice of Repayment objected to:*

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Old Stores (Navy)—continued.

1. *Present Practice of Repayment objected to*—continued.

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Practice of the Pay-office in dealing with the Exchequer credit in the matter of old stores; approval of the course adopted, and of the mode of repayment to the Exchequer, *Hoffay* 2284–2304. 2382–2385——Check through means of the Board of Audit upon due payment by the Paymaster-general to the Exchequer, as directed by the Admiralty, *ib.* 2304–2333. 2386–2403——Mode in which the receipt for old stores finds its way to the Exchequer further adverted to, as showing that the transfer through the Admiralty and Paymaster is made without the least risk or chance of mistake, *ib.* 2378 *et seq.*——Local expenditure of the proceeds of old stores, *ib.* 2379.

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In the ordinary course of business an Ordnance transaction occurring in July 1856 would not come before Parliament till June 1858, *Vine* 2661–2665——Analysis of the Ordnance Account in April 1852, showing the extent to which overdrawn, and the period in each case before adjustment, *Anderson* 3601–3608——Transfer to the War Department of the detailed audit of part of the Ordnance Non-effectives, *Vine* 3820–3822; *Romilly* 4383, 4384—— Advantage of a fusion of the books of the Ordnance at Pall Mall with those of the Army at the Horse Guards, *Vine* 3860–3888. 3946; *Anderson* 4151–4154.

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P.

Parliamentary Control. Evident object of the Act of 1834, that all expenditure, save in exceptional cases, should come under the cognizance of Parliament, *Right Hon. Lord Monteagle*, 53–58. 102 *et seq.*——Efficient control is the result of a Parliamentary vote, *ib.* 439——All charges should, as a principle, be paid by Parliamentary vote, excepting only certain charges in the shape of drawbacks and repayments, *ib.* 443, 444——Importance of a distinct Parliamentary appropriation, as compared with what is termed a Treasury control, *ib.* 548–558. 586–608.

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Recommendation also, in this Report, that full security for legal appropriation should exist, and that due checks be vested in the Exchequer, *App. p.* 461.

Copy of the Bill "to alter the mode of providing for certain expenses now charged upon certain branches of the Public and Hereditary Revenues, and upon the Consolidated Fund," with the original Schedules; and the alterations made in the Bill and Schedules previously to the Act 17 & 18 Vict. c. 94, which was founded upon it, being passed, *App. p.* 571–577.

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Parnell, Sir Henry. Prominent part taken by Sir Henry Parnell in the consolidation of the Pay-offices, *Anderson* 1202–1205——Circumstance of Sir Henry Parnell having ultimately admitted that the system of Exchequer credits had not answered his expectations, *ib.* 2263——Sir Henry Parnell was a great advocate for low balances in the Pay-offices, *ib.* 3652.

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PAY OFFICE:

I. *Evidence on the part of the Exchequer:*

1. Proof of Misappropriation in the Practice of the Office.
2. Illegality and violation of the Constitution, in Departure from the Principle of Appropriation.
3. Exceptions taken to the System of Accounts.
4. Strong Objection to the working of the Cash Account; Amendment suggested.
5. Consolidation of the Pay Offices; Disadvantage in some respects.
6. Exemption of Individuals from any Corrupt Misappropriation.
7. Improved System if there were but one common Balance, strictly administered.

II. *Evidence on the part of the Pay Office:*

1. General Practice explained; Impracticability of strict Appropriation.
2. Belief as to the Legality of the Practice.
3. Operation through means of Four distinct Accounts.
4. Defence of the System on which the Accounts are kept.
5. Working of the Cash Account explained; Inexpediency of Alteration.
6. Consolidation of the Pay Offices, and consequent Advantages.
7. System of Audit.
8. Objection to an Audit by the Exchequer.
9. Office of Paymaster-general; Amendment suggested.
10. Checks against Fraud or undue Misappropriation.
11. Suggestions for an improved System generally.

III. *Regulations as laid down in Treasury Minutes.*

I. *Evidence on the part of the Exchequer:*

1. Proof of Misappropriation in the Practice of the Office:

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Reference to the admission, by Sir C. Trevelyan and Mr. Anderson, that money issued for and belonging to one service, is habitually used for another service, *Right Hon. Lord Monteagle* 2774. 2778. 2783, 2784. 2787. 2821, 2822. 2897.——Witness suggests that the Paymaster's accounts be inquired into by the Committee, *ib.* 2787. 2941. 2959——The fact of the Paymaster not issuing money in excess of the vote is no proof that he does not misappropriate, *ib.* 2812. 2828.

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I. *Evidence on the part of the Exchequer*—continued.

1. Proof of Misappropriation in the Practice of the Office—*continued.*

appropriated, *Right Hon. Lord Monteagle* 2969——The systematic attempt to escape from the control of the Exchequer Act and the Appropriation Act, dates mainly from 1852; instances of this, *ib.* 3077–3083——At present witness receives no official information whatever of what passes in the Pay-office, *ib.* 3124. 3126.

Statement of Lord Monteagle, in his Memorandum of 1854, as to the application of the public revenue without due authority, and possibly to purposes wholly unsanctioned by law, *App. p.* 536 *et seq.*——Statement in the Memorandum, that the principle of specific appropriation is habitually and systematically endangered, or actually set aside by the Treasury Minute of 22d December 1848, *ib.* 542.

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2. Illegality and violation of the Constitution in Departure from the Principle of Appropriation:

Illegality of payments out of the Exchequer, unless made by a direct vote of Parliament, or charged by Act of Parliament upon the Consolidated Fund, *Right Hon. Lord Monteagle* 108, 109——High misdemeanor of the Treasury or Paymaster-general, if, after having obtained money from the Exchequer for any one specific purpose, they apply it to another, *ib.* 558–561. 563. 566–570——Legal question between witness and the Treasury in regard to his authority in respect to the specific appropriation of revenues after they have left his hands, *ib.* 608.

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Reference to the 11th and other clauses of the Act of 4 Will. 4, as clearly directing the Treasury and the Paymaster to apply the credits issued for the votes of Parliament to the purposes for which they were issued, and to none other, *Right Hon. Lord Monteagle* 2784, 2785. 2814–2817——Misappropriation consists in paying without authority, or doing an illegal act, to be made legal by a subsequent proceeding, *ib.* 2803. 2812 *et seq.*——Departure from the provisions of the Exchequer Act, even though an advance from the Navy supplies to meet the Army deficiency may always be remedied within a month, and generally within 48 hours, *ib.* 2829–2832.

Further evidence as to the present practice of the Pay-office, not only being illegal, but a frustration of the check invested by Parliament in the Exchequer, *Right Hon. Lord Monteagle* 2888–2894. 2897——Unquestionable departure from the law in the appropriation out of the common balances for the several purposes of the Army and Navy, *ib.* 2899. 2907 *et seq.*——Excess of Parliamentary authority, if not of the Parliamentary vote, in making payments without special Exchequer Acts, *ib.* 2909 *et seq.*—— Necessity of a Royal Order or Treasury Warrant, and an Exchequer issue, before money can be applied to any particular service voted, *ib.* 2910 *et seq.*

Illegality in the Civil Service vote being made applicable to the three great services, or to the payments of charges on the Consolidated Fund, before the payments of such charges have received a legal sanction from the Exchequer, *Right Hon. Lord Monteagle* 2915–2920——Expediency of the issuing warrant being submitted to the Exchequer for examination and approved, and the credit being issued before the actual payment takes place, *ib.* 2917–2921——Reiteration of former opinion as to the illegality of the practice of the Pay-office, *ib.* 3045 *et seq.*——As a general principle, the Paymaster cannot, or ought not, save out of the Civil Contingencies or the Commissariat Chest Account, to pay anything on the Miscellaneous Votes, unless from the monies issued specially for the purpose, *ib.* 3059–3063.

Strong opinion expressed by Lord Monteagle in his Memorandum of 1854, that the Treasury Minute of 1848 was irreconcileable with constitutional principle and statute law, *App. p.* 536 *et seq.*

3. Exceptions

Report, 1856—*continued.*

PAY OFFICE—continued.

I. *Evidence on the part of the Exchequer*—continued.

3. Exceptions taken to the System of Accounts:

If witness, who strongly objects to the system of accounts in the Pay-office, had gone to the Pay-office to inquire into the system, he would doubtless have been told that it was no business of his, *Right Hon. Lord Monteagle* 2776——Exceptions taken to the present system in regard to the bill account, *ib.* 3069——Unwillingness, for the present, of witness to make any suggestions for the control of the Paymaster's drawing account, *ib.* 3127. 3135–3137.

Review by Lord Monteagle, in his Memorandum, of the general system of the Exchequer and Pay-office, with suggestions as to the proper mode of keeping the accounts, *App. p.* 537 *et seq.*

Statement in the Memorandum that there is a total absence of all conformity between the actual payments and the Exchequer accounts, consequent on following the principle of the Treasury Minute of 22 December 1848, *App. p.* 543.

Statement in the Memorandum, as to the errors of account that have arisen through the non-adherence to the principle of appropriation, *App. p.* 545——Schedule in illustration of this statement, *ib.* 552.

Appendix to the Memorandum in elucidation of Lord Monteagle's statements thereon, *App. p.* 547–552.

4. Strong Objection to the working of the Cash Account; Amendment suggested:

Witness strongly objects to the complex system of passing money received from the public accountants through the Paymaster, not only as delaying the public money in its progress to the Exchequer, but as endangering the obligations of the Appropriation Act, *Right Hon. Lord Monteagle* 517–522. 532. 544 *et seq.*——In exceptional instances only should the Paymaster be an officer of receipt of money other than from the Exchequer, *ib.* 522–527——Different control of the Paymaster over the cash account in his name at the Bank of England, and over the Exchequer credit which also stands in his name, *ib.* 552–570——Upon constitutional grounds it is very objectionable that large unappriated sums on account of old stores, &c. should remain for any time in the hands of the Paymaster, with a power in the Treasury to deal with them as they choose for the time being, *ib.* 580. 585, 586. 604–608.

All monies coming into the cash account without special appropriation upon them, should at once be transferred to the Exchequer, *Right Hon. Lord Monteagle* 3064, 3065——All repayments to the cash account should be included in the direction as to the exhaustion of the account, *ib.* 3065 — Expediency of the Paymaster furnishing witness with an account of all monies received by him to his cash account, in order that there be no delay in their transfer to the Exchequer, *ib.* 3127. 3129, 3130.

Delays in consequence of transferring to the Pay-office payments which were formerly paid direct to the Exchequer by the accountants; paper giving details thereon, *Right Hon. Lord Monteagle* 3130. 3300, and *App. p.* 795–801——Great step towards the attainment of appropriation if some means could be adopted for getting rid of the Paymaster's cash account, *ib.* 3138–3140—— Doubt as to any increase of the balances in the Pay-office if the practice of repayment to the cash account were abolished, *ib.* 3141. 3147, 3148——Necessity of alteration in the law in order to provide for repayments being made at once to the Exchequer, *ib.* 3142–3146.

Observations on some of the payments included in the sum of 187,445 *l.* 18 *s.* 3 *d.*, placed to the account of Her Majesty's Exchequer, at the Bank of England, by the Paymaster-general, on 24 December 1855, *App. p.* 795–797 —— Particulars of the sum of 207,773 *l.* 1 *s.* 1 *d.* paid over to the account of Her Majesty's Exchequer by the Paymaster-general on 12 March 1856, *ib.* 797–800——Particulars of the sum of 187,445 *l.* 18 *s.* 3 *d.* paid over by the Paymaster-general to the account of Her Majesty's Exchequer, at the Bank of England, on 24 December 1855, *ib.* 798, 799.

5. Consolidation of the Pay Offices; Disadvantage in some respects:

The offices of Paymaster-general of the Forces, Treasurer of the Navy, Treasurer of the Ordnance, and Paymaster of Civil Services, were consolidated under the Act 5 & 6 Will. 4, and subsequent enactments, *Right Hon. Lord Monteagle* 511——Bad effect of the consolidation as resulting in the placing of an unduly large unappropriated balance in the hands and at the control of the Paymaster-general, *ib.* 574–576. 585, 586. 592–599——Confusion of accounts through the consolidation, *ib.* 575, 576——Circumstance of witness having been a party to the consolidation of the Pay-offices, *ib.* 2776, 2777.

Though beneficial in several respects, the consolidation has been disadvantageous with reference to the practice of misappropriation, *Right Hon. Lord Monteagle* 2777. 2805. 2842–2846——Belief as to there being the same facility of appropriation under one as under three paymasters, *ib.* 2804. 2833 ——Economy resulting from the consolidation, *ib.* 2842–2845 —— Belief that the consolidation of the Pay-offices did not by any means entail a change in the previous practice of a specific appropriation of the Miscellaneous Votes, *ib.* 3047–3058.

Report, 1856—*continued.*

PAY OFFICE—continued.

I. *Evidence on the part of the Exchequer*—continued.

5. Consolidation of the Pay Offices, &c.—*continued.*

Under the system of separate paymasters the irregularities in regard to misappropriation could not have occurred to the same extent as they now occur, *Right Hon. Lord Monteagle* 3076 *et seq.*——Witness does not advocate a recurrence to the system of separate paymasters, *ib.* 3090——Equal necessity of separate accounts under one as under three paymasters, *ib.* 3092.

Reference by Lord Monteagle, in his Memorandum of 1854, as to the risks and difficulties to be encountered in case of war, under a system of a single pay-office, *App. p.* 537. 546, 547——Account of the balances in the hands of the Paymasters of the three great services on the closing days of the several quarters, from 5 July 1835 to 10 October 1836, *ib.* 3106, 3107.

6. Exemption of Individuals from any Corrupt Misappropriation;

Strict Treasury regulations in regard to the disbursements by the Paymaster individually, the impeccability of whose department is moreover above all doubt and suspicion, *Right Hon. Lord Monteagle* 601, 602——By the term "misappropriation," witness has never attributed pecuniary corruption or malappropriation for private purposes, *ib.* 2787. 2802. 2819.

7. Improved System if there were but one common Balance, strictly administered:

As an amendment to the present illegal principle and practice, witness suggests that the Paymaster need have but one common balance, provided that the sums drawn from it are appropriated rightly; practicability of this plan, *Right Hon. Lord Monteagle* 2786. 2788. 2793–2795. 2895, 2896. 2900–2906.

II. *Evidence on the part of the Pay Office:*

1. General Practice explained; Impracticability of strict Appropriation:

System of daily application of the money by the Paymaster, *Anderson* 1068–1076——Difficulty of a correct daily estimate by the Paymaster of the Services or claims to be met on the following day, *ib.* 1068——Propriety of considering the Exchequer and Pay-office balances as one in the appropriation of the money, *ib.* 1068, 1069. 1080——Necessary departure from the strict provisions of the Act in regard to the issue from the drawing account of monies for services, for which there is no Exchequer credit, but which were sanctioned by vote, *ib.* 1069–1080. 1095–1097.

Instances have occurred of issues of public money in anticipation of votes of Parliament, *Anderson* 1081–1083——Bar to an efficient Exchequer check, on account of the impossibility of appropriation at the time of issue, *ib.* 1094–1097——Illustration of the impracticability of an issue from the Exchequer for each vote, each issue to be applicable only to the special purpose for which made, *ib.* 1286–1292. 1317–1319. 1355–1357——Further reference to the necessary payments through the Pay-office of large sums, which are appropriated not to the votes, but to the general account, *ib.* 1375.

Necessary application of the money issued to the Receiver-general to the special service or department for which issued, *Anderson* 1484–1488——Obstacle to the whole of the monies in the Exchequer being retained on the general account till the actual payments are made, *ib.* 1555–1575——Further statement as to the issues when once written into the drawing account being applicable indiscriminately to any services which are called for on that day, *ib.* 1577–1579. 1586–1590——Practice of the Paymaster not to issue money for any service that has not a credit at the Exchequer, *ib.* 1606–1611.

Impracticability of fully carrying out the principle of appropriation in the Pay-office further contended, *Anderson* 1733 *et seq.*——It would not do to refuse payments because a wrong estimate had been made, *ib.* 1733. 1994——The Paymaster-general is but one out of about 2,000 paymasters employed by the naval and military departments, *ib.* 1745——Issues by the Paymaster-general are not final payments, and can only be shown by the departmental appropriation accounts, *ib.* 1828–1832. 1842–1847.

General practice of the Pay-office in regard to the temporary employment for one purpose of monies drawn for another service, *Anderson* 1994–1998——Absence of control by the Paymaster over the actual expenditure, *ib.* 2007. 2026. 2033–2037——The practice of the Pay-office as complained of by Lord Monteagle, really commenced in 1836, *ib.* 2258–2260.

Common practice of the Pay-office to make payments for services for which no Exchequer warrant to the Bank of England has issued, directing a credit to the Paymaster for that particular service, *Hoffay* 2437–2439. 2459. 2578. 2589——How far the practice of the Paymaster to make advances for services not voted or sanctioned by statute, or for which no means had been provided, *ib.* 2440–2450——The present system of the office comprises the most economical use of the public monies, without exceeding the vote of Parliament, *ib.* 2493–2507——Impossibility of accurately estimating the amount

Report, 1856—*continued.*

PAY OFFICE—continued.

II. *Evidence on the part of the Pay Office*—continued.

1. General Practice explained, &c.—*continued.*

amount that may be required on the following day, in regard to the certain charges on the Consolidated Fund, *Hoffay* 2502–2506. 2581.

Rule of the Pay-office when they know any vote to be exhausted, not to make further payments, *Hoffay* 2508–2512. 2562–2564. 2568–2573 —— Impracticability of any control by the Paymaster in regard to the expenditure under the separate heads of any vote, like that for the navy, *ib.* 2516. 2519–2522. 2559–2561. 2565——Mode of recording the payments, where no special Exchequer credit has been taken, as final payments, *ib.* 2582–2585——Rule never to pay for a service which has not a credit in the Exchequer, or in the books of the Pay-office *ib.* 2586–2589.

Reference to, and examination upon the Paymaster's books, in which the payments are recorded after they are made, *Anderson* 3368 *et seq.*——Practice, when a Civil Service credit is once drawn, to keep it for that particular service, though the balance unexpended goes to the general balances, and is lent to other services, *ib.* 3375–3381. 3391, 3392. 3398. 3412——Claims upon the Pay-office come from all quarters, in different shapes, as well as by personal application, *ib.* 3530, 3531——Necessary interval at the beginning of each quarter, before the Exchequer is in a position to make issues, *ib.* 3596. 3609.

Remarks by Mr. Anderson, in his memorandum in 1854, as to the Paymaster-general's demands being limited to the sums required for his daily payments, and as to the impracticability of strict appropriation, *App. p.* 555, 556. 558——Remarks as to the misapprehension of the powers of the Treasury and Pay-office, in Lord Monteagle's memorandum of 1854, *ib.* 555——Statement by Mr. Anderson, that the recommendations in the Exchequer memorandum of 22 December 1854, would lead to an immense increase of the establishment, *ib.* 559.

Return from 1 April 1854 to 1 April 1856, of advances made for any services not voted by Parliament or sanctioned by statute; date of such advances, purpose, from what funds advanced, and when repaid, *App. p.* 802.

2. Belief as to the Legality of the Practice:

The system of keeping the cash in the banking accounts, in one common fund, is perfectly consistent with the annual Appropriation Act, though inconsistent with Lord Monteagle's interpretation of the Act of 1834, *Anderson* 1293–1296——Doubt as to the correctness of Lord Monteagle's opinion that he cannot legally issue money for the service of the year before the 1st of April, *ib.* 1520——Lord Monteagle considers the practice, with regard to issues and appropriation, to be wrong; but witness considers that the defect is in the law, *ib.* 1629–1634.

If Lord Monteagle's interpretation of the law be right, the practice of the Pay-office is not legal, *Anderson* 1638. 1734–1742——The real question in dispute is, whether the practice of the Pay-office follows up the principle of the Act; belief that it does, as far as possible, *ib.* 1643. 1727–1735——The temporary employment by the Paymaster, of monies drawn for one purpose for other purposes which have credits in the Exchequer, cannot be called a misappropriation, *ib.* 1993–1995.

The fact of the Vote being reported is considered by the Pay-office in the same light as an Appropriation Act, *Hoffay* 2629–2632.

3. Operation through means of Four distinct Accounts:

Explanation as to the four distinct accounts upon which the Pay-office operates, for the purpose of carrying on its pecuniary transactions, *Anderson* 1229 *et seq.*; *Hoffay* 2396——Constitution and working of the cash account explained; it comprises all sums which are paid to the Paymaster-general other than through the Exchequer, *Anderson* 1229. 1247 *et seq.*; 1317–1332——Working of the Exchequer credit account, as regards the daily credits given by the Exchequer and the supply of the drawing account, *ib.* 1229. 1236–1246.

The Exchequer credit account and the cash account can only be operated upon by writes-off; practice hereon, *Anderson* 1229–1233. 1333——The really working accounts are the drawing account and the bill account, *ib.* 1229——Supply of the drawing account from the credit account of the Assistant Paymaster-general, *ib.* 1229–1233. 1333. 1342–1348——Supply and operation of the bill account, *ib.* 1229. 1317–1319——There is, but one Exchequer account at the Bank to which the Paymaster pays money, *Hoffay* 2392, 2393.

Result of the general system that the whole of the public monies not required for the service of the day remain in the custody of the Exchequer, *Anderson* 1273–1282.

Report, 1856—*continued.*

PAY OFFICE—continued.

II. *Evidence on the part of the Pay Office*—continued.

4. Defence of the System on which the Accounts are kept:

Very perfect system of accounts in the Pay-office; the most approved form of double entry is applied, *Anderson* 1260–1269. 1354——Witness has never known a single item go to the wrong account, *ib.* 1263——Misconception in regard to the practice of the office under which Lord Monteagle wrote the Exchequer memorandum in 1854, *ib.* 2165. 2258–2260—— During the sixteen years that witness was at the Pay-office, Lord Monteagle never once came there to study the system of account, *ib.* 2165——Explanation that the branch accounts, as in the Paymaster's books, do not appear in the account at the Bank, and are not controlled by the Exchequer, *ib.* 3511–3516.

Remarks by Mr. Anderson, in 1854, as to the multiplied risks and increase of labour if the plan proposed in the Exchequer memorandum of 1854 were adopted, *App. p.* 559——Statement by Mr. Anderson that the errors pointed out in Lord Monteagle's memorandum did not exist in the Pay-office books, *ib.*

5. Working of the Cash Account explained; Inexpediency of Alteration:

Practice in regard to repayments, through the cash account, on account of navy stores, *Anderson* 1120–1129. 1247. 1253–1256. 1323–1332; *Hoffay* 2272 *et seq.*; 2378 *et seq.*——Constitution and working of the cash account explained; it comprises all sums which are paid to the Paymaster-general other than through the Exchequer, *Anderson* 1229. 1247 *et seq.* 1317–1332——During the last year the unusually large sum of 5,750,000 *l.* was passed into the cash account; how made up, *ib.* 1247. 1283——Of this sum about 2,000,000 *l.* was in the shape of re-imbursements to votes and other accounts, the remainder having been special items not likely to arise again, *ib.* 1247. 1283——The amount of 300,000 *l.* is made up of sums of revenue, which pass ultimately into the Exchequer, *ib.* 1247. 1283, 1284.

None of the payments to the cash account are original issues for services voted by Parliament, *Anderson* 1248——Distinction as between repayments to the cash account and payments into the Exchequer, *ib.* 1270–1284——Departmental audits without direct Parliamentary cognizance, in the case of repayments or transfers through the cash account, *ib.* 1274–1276. 1320. 1376–1384——System of exhaustion of the cash account before the Exchequer credits are drawn upon, *ib.* 1277–1284.

Varying daily amount of the cash account at the Bank; varying items composing it, *Hoffay* 2477–2482. 2574–2577——In 1855-56 the cash account amounted to 5,750,000 *l.*, *ib.* 2481——Practice to exhaust the cash account before drawing on the Exchequer credit account, *ib.* 2483–2486——The Paymaster is made acquainted as quickly and as correctly as possible with the daily amount of the cash balance, *ib.* 2574–2577.

Consideration of a proposition that the repayments to the cash accounts be tranferred at once to the Exchequer instead of to the Paymaster's drawing bill accounts; objections thereto, *Hoffay* 2590–2620. 2633. 2634——Different mode of accounts necessary if the payments to the cash account are at once transferred to the Exchequer, *ib.* 2596–2609——The repayments of advances, if made into the Exchequer, would falsify the statement of the annual revenue and expenditure, unless new regulations and accounts were introduced, *ib.* 2596–2598. 2602–2620.

Regulations under which a sum of 53,959 *l.* payable to the Exchequer has been held over in the Pay-office till the end of the quarter ensuing to that in which received, *Anderson* 4136–4141——The general mode in which the cash account is dealt with by the Paymaster should not be disturbed, *ib.* 4160.

Remarks by Mr. Anderson in 1854 as to the cash account being exhausted before drawing the Exchequer credit, *App. p.* 558.

Account of all monies received by the Paymaster-general, except such as were drawn from the Exchequer, or were repayments of monies issued for services from the Exchequer; date of such receipts, and dates of payment into the Exchequer, where so paid, for the year 1855-56, *App. p.* 816–828——Cash receipts and transfers payable to Exchequer, *ib.* 816–819——Cash receipts not payable to Exchequer, *ib.* 820–828.

6. Consolidation of the Pay Offices, and consequent Advantages:

How far the system of several Paymasters in 1831 was any greater security for the appropriation of funds to the particular services than the present system of a Paymaster-general, *Anderson* 1085–1089——System at the time of the Report of 1831, whereby the public payments were conducted in a great number of offices, *ib.* 1199——Sundry disadvantages of the old system of paymasters contrasted with the very important improvements effected by the consolidation of the offices, *ib.* 1200–1228. 1297–1306.

Much greater control and security now than formerly, when the balances were so much scattered about, *Anderson* 1200, 1201. 1210. 1225–1228. 1300–1304——Undue division of responsibility under the former system, *ib.* 1201——Considerable public saving through the reduction of establishments consequent on the consolidation,

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Report, 1856—*continued.*

PAY OFFICE—continued.

II. *Evidence on the part of the Pay Office*—continued.

6. Consolidation of the Pay Offices and consequent Advantages—*continued.*

Anderson 1209–1213, *and App. p.* 507——Uniform tendency since the Report of 1831 to the principle of consolidation, *Anderson* 1202–1206——Since the establishment of the Pay-office in 1836 there has been a saving of nearly half a million in salaries alone, *ib.* 1210.

Considerable benefits which have resulted during the war from the consolidation of the pay-offices, *Anderson* 1214–1220. 1304——Beneficial result of the consolidation, as shown by the establishment of the Commissariat Chest account, *ib.* 1225–1228——Practice previously to 1832, whereby payments for the army, navy, and ordnance were constantly made considerably in advance of the votes of Parliament; amendment since that period, *ib.* 1413–1418——Issue formerly in gross sums to the Paymaster of the Forces, and to the treasurers of the ordnance and of the navy, the issue in each case being distinct, *ib.* 1691–1693.

7. System of Audit:

The Paymaster sends his accounts monthly, with all his vouchers, to the Audit-office, *Anderson* 1373. 3381–3384; *Hoffay* 2397——Statement showing that the Pay-office is not an office in which a daily concurrent audit could be advantageously introduced, *Anderson* 1374——There would be no difficulty in extending the audit to the Paymaster's cash account, *ib.* 4160.

Nature of the audit check upon the transfer to the Exchequer of repayments to the Paymaster's cash account, *Romilly* 4266–4269——The Paymaster's account now comes monthly, instead of quarterly, *ib.* 4271, 4272.

8. Objection to an Audit by the Exchequer:

Witness decidedly objects to the proposition that the Exchequer should exercise the functions of audit in the office of the Paymaster-general, *Anderson* 1364, 1365. 1704 *et seq.*——Further evidence opposed to the proposition that a clerk from the Exchequer-office should attend in the Pay-office as a check upon the Paymaster, and as a means of Exchequer audit, *ib.* 2004 *et seq.*

9. Office of Paymaster-general; Amendment suggested:

Reference to the responsibility of the Paymaster-general, notwithstanding that his duties are mainly performed by deputies, *Anderson* 1963–1969——The Paymaster-general takes no part in the detailed execution of the duties of the Pay-office, and is only consulted in the event of departure from the settled regulations, *ib.* 2186–2192, 2209, 2210——When the Paymaster-general comes into office he grants deputations to various officers to act for him, *ib.* 2186——Nominal responsibility of the Paymaster-general for the proper discharge of the duties of the Pay-office, *ib.* 2187–2189.

Improvement if the duties of Paymaster-general were vested in some permanent official, such as the Assistant Paymaster-general, *Anderson* 2193, 2194. 2211, 2212——Casual attendance of the Paymaster-general, he having other important public duties to attend to, *ib.* 2193, 2194. 2112——As Chairman of the Chelsea Board and as Vice-President of the Board of Trade, the Paymaster-general has but little leisure to devote to the Pay-office, *ib.* 2194. 2212——He is not a final officer, *ib.* 2195——Special instances in which the signature of the Paymaster-general is required to documents, *ib.* 2209, 2210.

General responsibility of the Paymaster-general, notwithstanding that his duties are almost all deputed, *Hoffay* 2427–2431——There are five different persons to whom the Paymaster deputes his duties, *ib.* 2430.

10. Checks against Fraud or undue Misappropriation:

Absence of discretion in the Paymaster to pay away the money in his hands otherwise than for the special service for which issued to him, *Anderson* 1043. 1045——Several and efficient checks against fraud or unauthorised payments out of the drawing account, *ib.* 1229–1241. 1333–1348——Check afforded by the examination and record of the vouchers upon which payments are made, *ib.* 1233. 1335——A full account is furnished monthly by the Paymaster to the Audit Board, *Anderson* 1373; *Hoffay* 2397.

Doubt as to the Paymaster making an illegal issue at the bidding of the Treasury, *Anderson* 1613–1619. 1626–1628——Less detailed supervision of account in the Pay-offices formerly than at present in regard to the army or navy expenditure, *ib.* 1693–1699——The checks in the Pay-office are at present as perfect as they can be, *ib.* 2027–2032. 2044.

In the event of an order from the Treasury to apply naval monies to other purposes, the Paymaster-general would doubtless remonstrate with the Admiralty before doing so, but would hardly refuse to obey the concurrent order of the Treasury and Admiralty, *Hoffay* 2314–2320. 2398–2400. 2420–2435——Monthly accounts are rendered by the Pay-office to the Treasury, showing the receipts and payments, and the balances to the credit of the several services, *Anderson* 3393–3396——The Paymaster's accounts are transmitted quarterly to the War-office, *Vine* 3950.

 11. Suggestions

Report, 1856—*continued.*

PAY OFFICE—continued.

II. *Evidence on the part of the Pay Office*—continued.

11. Suggestions for an Improved System generally:

Approval of the Pay-office receiving not only the small sums of revenue which it now receives, but the revenue generally, *Anderson* 1984–1987——The Pay-office should not have to keep an account of credits under each separate vote, but should receive one cash credit for all the service, in accordance with a daily estimate to the Treasury, *Hoffay* 2668 *et seq.*——The Exchequer issue to the Paymaster should be made for the estimated aggregate amount of the daily payments, and should come out of the general votes, *Anderson* 3516, 3517. 3532 *et seq.*——Evidence in favour of a system of aggregate issue and daily concurrent audit, *ib.* 3532 *et seq.*——The Paymaster should be dealt with by the Exchequer as an imprest accountant, *ib.* 3533 *et seq.*

III. *Regulations as laid down in Treasury Minutes:*

Direction in Treasury Minute of September 1834, in regard to the cash account and the Exchequer Credit account, *App. p.* 476, 477.

Regulation in Treasury Minute of 9 May 1837, relative to the accounts of the Paymaster at the Bank of Ireland, *App. p.* 489.

Sundry regulations in Treasury Minute of 19 August 1836, *App. p.* 491–499—— Further regulations for the guidance of the office, and for the conduct of the accounts, in Minute of 19 November 1836, *ib.* 499–504——Regulations in Treasury Minute of 19 November, in regard to the establishment of the office of Paymaster-general, *ib.* 502–504.

Treasury Minute, dated 27 March 1835, regulating the Paymaster-general's drawing accounts at the Bank; and Sir Henry Parnell's letter, dated 18 November 1827, on which the Minute was founded, *App. p.* 505, 506.

Treasury Minute, dated 22 December 1848, for the government of the office, *App. p.* 511–529——Statement in this Minute as to the services to be paid by the Paymaster-general, *ib.* 511——Direction in the Minute that the cash account be exhausted before drawing upon Exchequer credits, *ib.* 512.

Directions in Treasury Minute of 22 December 1848, as to the authorities to be required by the Paymaster in regard to the issue of money for the several services, *App. p.* 515 *et seq.*——Recommendation in the Minute that the whole of the accounts be kept by double entry, *ib.* 527——Direction in the Minute that the accounts be delivered for audit within six weeks after every month, *ib.*

Statement in Treasury Minute of December 1848, as to the establishments of the divided offices, *App. p.* 527——Statement as to the establishment of the consolidated office, and scale of salaries, *ib.* 528——Statement as to the reduction effected by the consolidation of the offices, *ib.*

Recommendation in the Treasury Minute of December 1848, as to the hours of attendance of the clerks, *App. p.* 528——Direction in the Minute that no person employed in the Paymaster-general's office is to hold any private appointment, *ib.* 529——Direction as to the appointment of clerks on probation, *ib.*——Direction as to the rule of promotion from class to class, *ib.*

Letter from Lord Monteagle to the Lords of the Treasury, dated 16 January 1849, on the subject of the Treasury Minute of 22 December 1848, *App. p.* 532–534.

Paper showing the alterations made in the Treasury Minute, dated 22 December 1848, in consequence of the preceding letter, *App. p.* 534–536.

Direction in Treasury Minute of 24 November 1854, that a separate account for the quarter, ended 5 April 1854, be transmitted to the Commissioners of Audit, *App. p.* 582.

See also *Adjustment of Accounts* (*Pay Office*). *Appropriation. Army. Balances. Brooksbank, The late Mr. Consolidated Fund. Control. Deposits* (*Pay Office*). *Excess of Grants. Exchequer. Imprests, &c. Miscellaneous Services. Navy. Old Stores* (*Navy*). *Parliamentary Control. Parnell, Sir Henry. Royal Orders. Sargent, Mr. Transfers between Departments. Treasury. Wellington, Duke of* (*Funeral Expenses*).

Paymaster of Civil Services. This office now exists in Ireland only, *Right Hon. Lord Monteagle* 509.

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Return showing the amount of each vote for the years ending 31 March 1855 and 1856, the date and amount of each issue from the Exchequer, and the date when drawn by the accountants from the Exchequer account; showing also the payment of certain consequent amounts into the Exchequer account under the same heads of revenue, *App. p.* 631, 632.

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Premiums on Exchequer Bills:

1. *Comments on the Course pursued hereon by the Treasury.*
2. *Explanation on the part of the Treasury.*
3. *Correspondence between the Treasury and Exchequer.*

1. *Comments on the Course pursued hereon by the Treasury:*

Particulars as to a question between the Treasury and witness in regard to the payment to the Exchequer of premiums on Exchequer Bills issued in 1853, for the purpose of raising a definite sum of money (500,000 *l.*), *Right Hon. Lord Monteagle* 616–620. 627 *et seq.*——In the matter of these premiums, witness refers to his correspondence with the Treasury in 1853–54, as showing his grounds of argument that these premiums, being so much in excess of the Vote on the Appropriation Act, should be repaid to the Exchequer Account, *ib.* 616–618. 636–645.

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Further statement as to the proper mode of proceeding, in the event of their having been a loss instead of a gain on the Exchequer Bills, *Right Hon. Lord Monteagle* 3041–3044 ——Clause in the Appropriation Act recited as confirming the views maintained by witness, *ib.*

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Explanatory statement of the course taken by the Treasury with reference to the payment to the Exchequer of the premiums on Exchequer Bills; inaccuracy of Lord Monteagle

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Premiums on Exchequer Bills—continued.

2. *Explanation on the part of the Treasury*—continued.

Monteagle's evidence hereon, *Anderson* 2239-2253——The premiums were duly paid to the Exchequer in January 1854, the first correspondence on the subject having been in December previously, *ib.* 2241. 2247-2250——Lord Monteagle was distinctly told, in the first Treasury letter, that the practice of payment to the Exchequer would not be departed from, *ib.* 2242-2246.

3. *Correspondence between the Treasury and Exchequer:*

Statement by the Comptroller-general, on 13 December 1853, as to the expediency of any premium on the bills being paid into the Exchequer, *App. p.* 713.

Statement on the part of the Treasury, on 11 January 1854, that the Comptroller-general can only deal with the bills at par, and that any consideration of premium or discount is a question between the Board of Treasury and Parliament, *App. p.* 715.

Arguments adduced by the Comptroller, in letters of 11 and 16 January, in support of his views that the premiums should be accounted for directly to the Exchequer, *App. p.* 716-718.

Letter from the Treasury to the Comptroller-general, dated 31 January 1854, authorizing the latter to receive certain premiums and interest, and requesting them to be carried to the Consolidated Fund account, *App. p.* 718.

Letter from the Treasury, dated 5 April 1854, in which it is further maintained that the accounting for the premiums is a matter between the Treasury and Parliament, *App. p.* 719.

Letter from the Comptroller, dated 7 April 1854, further contending for the principle that the accounting for the premiums is a matter in which the Exchequer is directly concerned, *App. p.* 720.

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Prisons' Superintendence. Statement as to the Paymaster's account having been overdrawn in April 1852 in respect of "Prisons' Superintendence," *Anderson* 3469.

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Public Accounts Commission of 1831. Copy of the First Report of the Commissioners of Public Accounts (on the Exchequer), dated 8 October 1831, *App. p.* 455-471——Object of the Commission adverted to in the Report, *ib.* 455.

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Redemption of Pensions:

1. *Strong Objection to the recent Payment of* 213,000 *l. without the direct Sanction of Parliament.*
2. *Precedents of Redemption without Parliamentary Authority.*
3. *Precedents in which Parliamentary Sanction was required.*
2. *Lapse of Time before the recent Redemptions would come before Parliament.*
5. *Evidence in Explanation and Approval of the Course adopted by the Treasury.*

1. *Strong Objection to the recent Payment of* 213,000 *l. without the direct Sanction of Parliament:*

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Redemption in 1825 of a pension payable to the first Lord Melbourne adverted to as having been effected without Parliamentary sanction, *Right Hon. Lord Monteagle* 45–49. 51. 82–90——Power, without Parliamentary sanction, to make purchases out of the capital of the land revenue, *ib.* 73. 94, 95——Redemption in 1853 out of gross revenue of the pension of Earl Cowper chargeable on the Excise and on the land revenues, *ib.* 91–95——Undue precedent in 1826 for the transaction in 1856 without the knowledge of Parliament, *ib.* 142–145. 151–153.

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3. *Precedents in which Parliamentary Sanction was required:*

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TO

REPORT

FROM THE

SELECT COMMITTEE

ON

PUBLIC MONIES.

Ordered, by The House of Commons, *to be Printed,*
21 *July* 1856.

[*Price* 1 *s.* 2 *d.*]

375—I.

Under 20 *d*